

Cancelled or original

H. R. 1296

Thursday, April 26, 1945

House of Representatives,
Committee on Education,

Washington, D. C.

The committee reconvened at 10:00 o'clock a.m., Hon.

~~William A. Barden~~ (chairman) presiding.

The Chairman. The committee will come to order.

Mr. Quinn of New York has called to my attention the fact that Mr. Merwin K. Hart, of New York, is here in a rather urgent situation and requested that he be permitted to be heard this morning. So we will hear from him first if he is available.

Mr. Dondro. I did not get the name of the witness.

The Chairman. Mr. Hart.

STATEMENT OF MERWIN K. HART, ESQ.,
PRESIDENT, NATIONAL ECONOMIC COUN-
CIL, NEW YORK.

Mr. Hart. Do I stand or sit, Mr. Chairman?

The Chairman. Just whichever you prefer. Make yourself comfortable.

Mr. Hart. Mr. Chairman, I have prepared an outline of my remarks for members of the committee and for the press if they would care to have them.

The Chairman. May I make this inquiry: Do you want this statement filed for the record?

Mr. Hart. Well, I would like to proceed with it, at least with a part of it, Mr. Chairman, if that is all right.

The Chairman. That is perfectly all right. Without objection this statement will be filed for the record.

(The statement of Mr. Merwin K. Hart follows:)

STATEMENT OF MR. MERWIN K. HART

Mr. Hart. Mr. Chairman, I have appeared before the Senate Committee on one or more years on bills having the same general purpose as this, and I appreciate the opportunity of appearing before your committee.

Our organization, the National Economic Council, of which I am president, is opposed to federal control of education, and we believe that the passage of H. R. 1296 would be a long first step toward such control.

Mr. Judd. Would you mind telling us something about the National Economic Council?

Mr. Hart. It is an organization organized 15 years ago, the purposes of which are, in general, to work for the carrying on of private enterprise without too much interference from government, and it is our desire to keep public spending from eating up all of the income of the people. We publish various publications which go to all members of Congress. Some of them notice them; some of them, perhaps, do not. One of the things in which we are interested is the subject of education.

The proponents of this bill state with emphasis that the bill neither provides for nor will lead to federal control of education.

Let us look at the history behind this bill and the philosophy of those who sponsor it. One bill or another to provide for federal aid for education has been before this committee for at least seven or eight years. At first the proponents, who came before Congress about eight years ago, urged such bills because of the alleged impoverished financial conditions prevailing among state and local governments. Then they switched to the defense argument and more lately to the plea of the war emergency. None of the early bills contained provisions against federal control. It therefore seems that

the originators of this philosophy were not primarily concerned about federal control of education. It is an after-thought that they hope will aid the bill's passage.

Mr. Dondero. May I interrupt?

Mr. Hart. Certainly.

Mr. Dondero. I believe that you have quoted Dr. Hansen of Harvard University in your prepared statement.

Mr. Hart. Yes, sir.

Mr. Dondero. Is Dr. Hansen the author of a statement which says that a government can make itself poor by paying its public debt?

Mr. Hart. He is the chief exponent of those ideas in this country.

Mr. Dondero. That statement appeared in a pamphlet that was sent broadcast at the taxpayers' expense and one of them fell into my hands.

Mr. Hart. Dr. Alvin H. Hansen, leading American proponent of deficit financing, in his report, "After the War Full Employment," lists a six-point post-war program. One of these six points calls for federal aid in financing public education.

The National Resources Planning Board, before Congress abolished it, issued a report in which it said that the nation was spending about \$3,200,000,000 for education, that is state and local together. This it claimed was less than 50% of the amount needed to provide a justifiable minimum educational program. The report went on to say that state and local sources could not provide the increase and that "it is, therefore, evident that most of the increase in expenditures for education in the post-war period must be financed almost, if not entirely, by federal funds." This would mean a total ultimate expenditure, to which the passage of such a law would commit the Congress in principle, under federal aid of over

\$3,000,000,000 a year.

It is thus seen that the philosophy behind federal aid to education is that of the deficit spenders, those who believe in a perpetually unbalanced budget and an economy planned and directed by the Federal Government. They would, of course, include federal planning and direction of education.

This would be a step toward national socialism. "Under such a system we would put the culture of a whole nation on an equal footing. This new culture is uniform, unified and welded into a coherent whole." The man who said that was Hitler's Minister of Culture in his official teachers' manual for German education.

This same Nazi manual states that no individual is to think of himself as having a more brilliant mind than his neighbor. Each mind is to be of equal importance. Each mind is to be blended into the great state conscience. As reported by Dr. Ziener in his well-known book "Education for Death," the Nazis considered that "the chief purpose of the school is to train human beings to realize that the state is more important than the individual."

So much for the underlying philosophy behind this bill. When we get to the active advocates for this bill, we find that they consist almost entirely of those who would personally benefit from it in the form of increased pay checks. Almost a million teachers would receive an average of about \$200 a year under this bill. It is only natural that many of them will do all in their power to obtain its passage. It is their right as American citizens to do so. But let me point out that although they would receive federal funds, they would not come under the Hatch Act as do federal employees, and they would be able to lobby for further increases in the future, a weapon which is barred to those directly on the federal pay

roll. There has been little or no demand for this bill from the general public or from state and local governments, ^{which} by the terms of the bill, are accused of shirking their duty.

There is no question but that the state and local governments now have sufficient money to increase their educational expenditures, a situation quite the reverse of that of our Federal Government. No one knows the total financial burdens the Federal Government faces in the post-war period. I do not believe that now is the proper time for the Federal Government to assume a burden of \$300,000,000 a year which may be increased eventually to more than \$3,000,000,000 a year.

The Acting Secretary of the Treasury, Mr. Daniel W. Bell, once stated concerning the predecessor of this bill:

"Since it would appear to involve a very substantial non-essential wartime expenditure of funds, and in view of present budgetary position of the government and the essential requirement for funds to support the war effort, it is recommended that the legislation be not given favorable consideration. The Department has been advised by the Bureau of the Budget that the enactment of this legislation would not be in accord with the program of the President."

He is not being supported, as a matter of fact, by the Administration, but we presume that this statement still holds true.

Mr. McCowen. Is that not in the Democratic platform, the support of this measure?

Mr. Hart. That I cannot tell you.

Mr. McCowen. It would look like the Administration would be opposed to it.

Mr. Hart. That appeared at Page 59 of the 1943 Senate hearings.

Mr. Ramepeck. The platform does contain a plank favoring

federal aid for education.

Mr. Hart. Some sponsors of this measure state that the purpose of the bill is to ameliorate the hardships of teachers. Such hardships, they claim, are leading toward impairment of our educational system. We realize that the teachers are experiencing hardships. We feel that they should have every consideration from state and local governments. We do not, however, believe that it is the duty of the Federal Government to attempt to relieve their hardships when it has not been shown that the state and local governments are unable to do so. If the principle of federal relief for such hardships were endorsed, similar claims could be made for policemen and firemen; and better claims could be made for those who suffer from the necessary inequities of OPA, WMC, WPB, and so forth.

The difficulty in getting and holding teachers is more a manpower problem than financial. Small raises will not solve the problem. Priority releases of teachers from the Armed Services would be a greater aid.

It would seem, therefore, that the only reason left for this bill is a latent desire for federal control of education. On its face, it provides that there shall be no control. If this were so, would it be a good bill? Does Congress think that it should approve an appropriation over which it has no control? Would your Appropriations Committee feel that it was doing its duty to taxpayers if it approved expenditures over which neither Congress nor the Administration had control? The bill itself does provide controls. It could not help but do so. If it did not provide some controls, probably it would not have gotten this far.

Mr. Gwinn. Have you a list of the controls, as you see them, in the bill, to which you might refer?

Mr. Hart. I have some that I might enumerate here, and to save the committee's time I will omit a part of my statement.

In subsection B we find that the states are prevented from lowering their educational expenses below what they spend in the fiscal year 1944. This would mean that any state which had granted special bonuses, made emergency expenditures, uncovered waste in educational expenditures, completed amortization of educational bonds, or temporarily assumed an educational burden of a local government, would be prohibited from curtailing any such expenditures if they wanted to continue as recipients of federal aid. This would be federal control.

History shows that states seldom, if ever, refuse federal grants. This provision would prevent states from shifting back any temporary burdens to local governments and, therefore, would bring the local school systems under more state control than heretofore.

Subsection C provides that local school jurisdictions must pay an average annual salary to their teachers not less than they paid on February 1, 1945. This means that new teachers might have to be paid salaries comparable to those retiring with 30 years or more of experience behind them. It means that emergency raises would be frozen on the bottom side. These granted cost-of-living bonuses could not be reduced even if the cost of living should fall. This, too, would be federal control.

There is also the direct control of the proportion which must be spent on majority and minority racial groups. This may or may not be a good control, but that it is control cannot be questioned.

In addition to these direct controls, no matter what the law might state, we know that we live in an era of indirect

controls.

Mr. Chairman, I will pass over the indirect controls.

The bill provides a sum of \$1,500,000, or it may be \$1,000,000--I am not sure from the bill--for administration and research. These funds may be allocated to state education departments for surveys or other studies pertinent to the possible uses of funds received under the Act. With \$1,500,000 behind him, no federal Commissioner of Education would have much difficulty in influencing state and local administrators to see things his way. Payroll padding might become the order of the day. Those states which did what he considered best would be rewarded. Educational requirements of teachers might be changed. Preferences might be given to teachers colleges endorsing one philosophy or another. Pressure might be exerted for them to adopt certain textbooks, such as those furnished by Dr. Rugg and opposed so valiantly by the American Legion.

In one book Dr. Rugg said:

"Clearly, therefore, if we are to use the schools to produce a new social order, an indispensable first step is to develop a new outlook on life and education among the teachers."

This same author has written that to guarantee a stable and a high minimum living for all "the national economic system must be reconstructed to provide for central control of the whole enterprise with power to develop a designed system and to provide for its operation by expert personnel."

On another occasion he wrote:

"Thus through the schools of the world, we shall disseminate a new conception of government--one that will embrace all the collective activities of man."

Mr. Dondero. Were his books not thrown out of the schools of California?

Mr. Hart. They were following an investigation made, I

understand, by a committee representing one each of the universities of California, and they have been thrown out of a good many schools aside from California.

Mr. McCowen. The Rugg books constitute a very small section of educational content in the United States. That is just an extreme, radical thing that educators have not accepted. It is well to keep that in the background and not make it a major point of discussion.

Mr. Dondero. He comes as a teacher from Columbia University in New York, one of the greatest institutions of teacher training in the country.

Mr. McCowen. A lot of bad things come out of that university.

Mr. Gwinne. Do you realize that the majority of our teachers come out of that institution of teaching?

Mr. McCowen. That does not mean that they have to accept a philosophy that is bad. If they have not been taught to think they are not fit to teach a school. If they have been taught to think they can throw the bad into the garbage and the Rugg outfit should go there.

Mr. Judd. You feel that the bad should be put in there and train them to sift the bad from the good and cast out the bad?

Mr. McCowen. Is it not important to keep that before them? After all, in your practice of medicine you have to deal with disease.

Mr. Judd. But we do not let the bottle go out unless it is marked poison.

Mr. McCowen. The teachers who do not say "This is poison," are not doing their duty.

Mr. Dondero. That is the danger, where he advocates 100% national socialism and 100% federal control.

Mr. McCowen. Who is for national socialism in the public school? Just because one professor has taken that slant should not be taken as a condemnation of this entire thing.

Mr. Gwinn. I take it that you would put it in there to teach teachers to make a choice.

Mr. McCowen. I would not put it in at all, but they are there.

Mr. Gwinn. How do you get to feel so comfortable in thinking that Dr. Rugg is the only one?

Mr. McCowen. I just say that he is one fly in the ointment.

Mr. Gwinn. The only one?

Mr. McCowen. He is certainly the outstanding one, and he has been cast pretty much in the discard.

Mr. Hart. Mr. Chairman, answering Mr. McCowen's question, the Rugg books are not the whole of the kind of books to which we are opposed in the schools, but they are a very large block of them. We have spent a great deal of time in our organization in studying the Rugg books. I have appeared before the Educational Association at Philadelphia and addressed a group of 3,000 on the subject of Dr. Rugg's books, with Dr. Rugg there.

It is my conviction and philosophy that that is not the philosophy of the great mass of the American people. But if we are to pass such a law as this, with the powers that are in this bill, having in mind those who are advocating these bills, those who are so numerous in advocating them, I am sure that it would open a door through which they would be very well able to inculcate their doctrines and we will have a repetition of what Mr. Hitler was able to do.

Mr. McCowen. I am proud to have you emphasize the thought. As I said a minute ago, the Rugg stuff is small.

Mr. Hart. I say that it is very, very large. He is the most prolific writer of textbooks that I know. It is the boast of his backers that they are in schools where millions of pupils are taught. We have found them in very, very many places. The National Economic Council ten years ago was called the New York State Economic Council, and it ~~was~~^{had} a committee of five educators under the chairmanship of Frank Spaulding of Yale. Another member was the Dean of the School of Education at Harvard. Another was Dr. Mann, president of the American Council on Education; and there were two others.

We came to learn, in the course of that committee's work, that there are two schools of thought in the schools: the progressive education school, and the school that does not think so much of progressive education, that believes in the three R's. And I would like to say something that we learned largely through that committee's activity. We do not believe that the quality of our education in our public schools is closely in proportion to the amount of money now spent. The amount of money spent on education in any given community not only can but many times has been very greatly increased without any resulting benefit in education. Indeed, sometimes it has been with an actual lowering of the quality of education.

Mr. McCowen. Would you mind telling us the reason for that?

Mr. Hart. It is because they have too much money to spend.

Mr. McCowen. How ridiculous!

Mr. Hart. I do not mean that it is because they pay teachers too much. I think that the teachers ought to be paid well. It is because the thing is carried on without good enough administration. It has gotten away from the Amer-

mean idea and has been flirting with ideologies of various kinds.

In a place on Long Island, about eight or nine years ago, the parents of all the pupils in the schools of that place--I think it was Roslyn, I am not certain--the parents of the majority of the pupils got up a petition to the teachers asking them if they would not please teach their pupils to read. They had heard about "projects" and all sorts of things, but when it came down to it, in the fundamentals of education they were not getting educated. It was a great deal like the story of the Emperor's clothes.

It is true that an excellent educational job is being done in many schools, but in equally many schools the job is not so good.

Mr. Dondero. I had a letter from a man in Colorado last week and in this letter he told me that his own daughter had graduated from the high school without ever having heard of the war between the states.

Mr. Hart. I am not surprised. This committee surveyed the schools in several cities of the United States, and these men gave their time. They surveyed the schools of Niagara Falls, New York, which they said was a typical American city. They published a report of some 40 or 50 pages, very carefully prepared, and all of these five men spent a week in Niagara Falls, and they summarized the situation as follows:

"Too much teaching; too little learning!"

"Too much class attendance; too little studying!"

"Too many things attempted; too few things perfected!"

"Too much paid to teachers who confine themselves to class manipulation; not enough paid to teachers who skilfully promote learning on the part of pupils!"

"Too much blurring of mental distinctions in the name of

democracy; too little recognition and stimulus of superior mental abilities!

"Overemphasis on the individual pupil's right to such schooling as he may personally desire; underemphasis on every pupil's obligation to make profitable use of such educational opportunities as society provides!"

Let me say this, that at a conference on the cost and quality of education, held in February, 1940, at Albany, New York, Dr. John L. Tildsley, former Associate Superintendent of Schools in New York City, pointed out that about 20% of all pupils admitted to one typical high school in that city were unable to read well enough to read the text books in high school courses, and he believed that that proportion would hold throughout the ~~state~~ ^{city}, and he had spent his life in the public schools in New York. He said that to meet the situation, WPA workers were brought in and were trained to become teachers of reading in order to teach these pupils how to read. ~~And~~ The teachers in New York are the highest paid teachers in the world, and they were not teaching many of the pupils to read.

Now, to go back to Dr. Rugg, he said at another place:

"The national economic system must be reorganized to provide for central control of the whole enterprise with power to develop a designed system and to provide for its operation by expert personnel."

And at still another place he said:

"Thus through the schools of the world, we shall disseminate a new conception of government--one that will embrace all the collective activities of man."

That is the collectivist idea.

Now, we do not say that such books would be pushed, but we do say that they could be. We do not think any such

a possibility should be permitted.

If such a bill becomes law, the same sponsors will continue lobbying for an increase until the annual sum becomes ten times larger than that now proposed. We believe that once this principle is approved they will come back on the basis that the funds granted are not sufficient to carry out the objectives and that more is needed.

There will also be agitation for minimum teachers' salaries. One large union has already asked for a \$1500 minimum, which would apply throughout the country, in rural and urban areas alike, regardless of race, color, or creed.

The Congress would always hesitate to lower teachers' salaries. Any reduction in the future in the amount appropriated by the Congress for teachers' salaries would amount to a reduction in teachers' salaries. Once given, it would be most difficult to take away. The passage of such a bill as this would be all that was needed to take it out of the hands of Congress itself, because once Congress had passed this bill they could never repeal it.

Mr. McCowen. That is a matter of opinion, is it not?

Mr. Hart. Yes, I am willing to let it go at that. I would say that there is considerable evidence to support it.

Mr. McCowen. Rather in the minority, however.

Mr. Gwinn. Mr. Hart, I see that one of our colleagues wishes to emphasize, and I think that we do as a nation, that this influence of which you speak is nothing, maybe just one person here and there. Have you any opinions on that? Take Columbia University, for instance, is he the only teacher there that falls in this category?

Mr. Hart. Oh, no! There are others. Teachers College at Columbia has exercised an influence on education in this country that is perfectly tremendous. The results are spotty.

There are certain sections, and in some of the New York schools, ^{where} they will not take any teacher from Teachers College, Columbia, and I know that in many communities around the country they will not do so. They believe that the thing to do is to teach people to do something. In others, the Rugg system prevails.

Let me say that many of those who helped in the formation and the writing of these books were men who, several of them, were experts who were hired and taken to Russia with a group of labor people ^{during} the year 1924, and they came back with the idea that the system in Russia was something that we must reflect, that the American system for 150 years has been wrong; we have got to remodel all of this in the form of collectivism. That is what you would subsidize if you should pass such a bill as this.

The Chairman. I do not know Rugg or the Rugg system. But I did not have to learn about the Civil War from books. My father told me that before I went to school. But if this man is a part of Columbia University and if his writings and works are as extensive as it appears from this testimony, then certainly I think that the logical conclusion is that he must be the loud speaker, so to speak, through which a great number of people at Columbia University disseminate their views.

Mr. Hart. That is true.

The Chairman. He certainly could not stay at Columbia University long unless he had considerable backing from the officials and the administration of Columbia University, it strikes me.

Mr. Hart. There is no question about it.

Mr. Chairman, just as New York City is the center of radical activities in this country in so many other respects,

so it is in the educational field.

I would like to throw in one more incident as bearing on the quality of education, and I bring this up simply to show that we have spent a lot of money in the past, and I am told that the United States spends more money on education than all of the rest of the world put together, and we ought to have the best education in the world, and we do not have it. The teaching of languages in our schools leaves a great deal to be desired. I happen to have ^{spent considerable time} ~~lived~~ in several different countries and I have always been interested in how many people speak English. I would ask them, "Where did you learn English?" They had never been out of their own country. They learned it in their schools. That was true in France and I am told that it is true in several of the South American countries. I have talked to them and I know how thoroughly they have been drilled. That thoroughness in drilling is not present in much of our education. We are not getting what we should get for our money.

About five or six years ago, or maybe seven or eight, a committee of citizens, most of them from Binghamton, New York, sent a questionnaire to some 10,000 employers in the states of New York and Pennsylvania, asking several questions, the purport of which was whether the product of the schools, as this product came to these employers, justified the cost. About 5,000 of the employers replied, which is a pretty good number out of that many questionnaires, and the overwhelming burden of their reply was that the cost was not justified. They said that they found that hardly any of the pupils had learned to do anything well; that they did not get what they ought to be getting.

Mr. Judd. You would not object, of course, to Dr. Rugg having the right to advocate whatever he wants or believes

in as a different form of government in this country, would you?

Mr. Hart. Not in the least.

Mr. Judd. What you object to is that the Federal Government would appropriate money to be used by educators who might conceivably follow Dr. Rugg's belief and philosophy and thereby we would be helping to promulgate that philosophy in the public schools.

Mr. Hart. Decidedly.

Mr. Gwin. Dr. Rugg is not so alone and without friends. I would like to ask the witness if he keeps company and maybe is influenced by, if the witness knows, John Dewey, Andrew George Counts. . . . Do they not all belong to the same company?

Mr. Hart. They are all together, Congressman. They are all, in general, believers of the same philosophy, and I was not picking on Dr. Rugg particularly, though Dr. Rugg has been rather out in front because he has been the author of so many books.

Mr. Chairman, if this committee believes that financial aid to local education is a constitutional function of the Federal Government; that the Federal Government can now afford substantial sums for these purposes; that states and local governments are doing their best but cannot meet their obligations; that there is a real need in every state that will receive benefits; that this bill will not build any unnecessary bureaucracy surveying and studying local educational systems; that despite the provisions of the bill, there would be no federal control; that the Federal Government should make expenditures it cannot control--if you believe all this, can you, in fairness to the electorate, endorse a bill so loosely drawn, without fixed standards or the use of

definite terms?

Now, I have in my statement some detail about some of these loose terms. I will not take up the time of the committee by going into that. I invite your attention to the text of my statement.

This occurs to me, Mr. Chairman, and I am almost through with my statement, there is no section anywhere in the bill which states how the money must be distributed within the states. States might show favor by putting the money into doubtful political areas. City machines might see that their areas get more than their share at the expense of rural areas, where the need is greatest. The money to equalize educational opportunities might be used for pet projects or surveys of the state Educational Commissioners. There would be no control on him whatsoever except that it be used for public education.

Mr. Ramspeck. How do you reconcile that statement with your general charge of federal control? You say here that there would be no control on them whatever except that it be used for public education.

Mr. Hart. That is provided in the statute. Obviously the whole purpose of the bill is for education.

Mr. Ramspeck. Surely, and the whole purpose of the bill is that the states shall control the money.

Mr. Hart. I submit that the state, in view of the audit that is required to be made, half of the bill, Congressman, is devoted to the controls.

Mr. Ramspeck. But you say that there is no control in it, in this last paragraph which you have given.

Mr. Hart. No. I say that there would be no control with respect to the spending of this \$100,000,000, except that it be used for public education.

Mr. Gwinn. You have no control of the controls, you

mean.

Mr. Hart. What I mean is that the money, under that section, the \$100,000,000, could be used for any purpose whatever. The audit would still remain, but the selection of the purposes would be in the hands of the locality, or possibly that, too, would be directed from the top down.

I have here an article from the New York Herald Tribune, and this is an illustration. This is an article that appeared in that paper the day before yesterday, under the headline "Free Colonies & Parley Duty, Children Hear," and then a sub-heading, "Nine Resolutions Adopted by Youthbuilders After Plea by Canada Lee." And the text goes on to say:

"Canada Lee, actor, yesterday told 350 Youthbuilders"-- and Youthbuilders turned out to be boys and girls from 9 to 15 years of age, and after Canada Lee had made this address then these problems were solemnly voted on. There were 9 questions with which you gentlemen are wrestling and you find them very great indeed, but they had no difficulty whatever. Now, it took money to get them together. They came from schools. Who paid for it? Why, the taxpayers paid for it, of course.

Among the questions which they resolved or which they decided was that war criminals be brought to trial and punished for their crimes; that the Bretton Woods proposals be adopted.

Mr. Dondero. Do you mean to say that that question was submitted to children 9 to 15 years of age? Why two-thirds of the men on the Committee on Banking and Currency cannot figure that out.

Mr. Hart. A little 10-year old girl was there and she spoke out of turn and she said, "Well, look; what do you think other people will think if we start ruling them?"

And the account gravely says:

"Despite the disturbance created by the questioner
the resolution was passed."

There are a good many things of that kind going on today. There are forums going on where the purpose is to push through the Bretton Woods agreement and all of these other agreements, which it is up to the Congress to decide. That gets great publicity, and all of it is intended to influence the Congress down here. It is a free country and people are entitled to do it. But, are you going to pass a law subsidizing the doing of things like that?

How can they teach languages well when they are frittering away their time getting children 9 to 15 years of age to pass on questions of this sort. And the New York Herald Tribune--^{that} used to be a Republican newspaper--~~and they come~~ stay out and publish a thing like that!

Mr. Chenoweth. Do you think that the teachers should devote their time to teaching, when the CPA is calling on them to distribute their literature to the children to be disseminated through the community? Is it not true that the teacher's first duty is to disseminate literature sent them by various agencies?

Mr. Hart. I still think that the function of the teacher is to teach.

Mr. Chenoweth. That is not the idea in some places.

Mr. Hart. I do not think that they ought to distribute any literature of that kind. The schools of this country, in large part, are a great propaganda machine, and the passage of this bill would subsidize it and set it up beyond recall.

In conclusion, I urge this committee to refuse to report this bill favorably, on the ground that it would lead to federal control of education. We see today the problem that

centralized control of education has created in Germany. Many feel that the national socialist educational system is an even greater menace to our boys than the German army. Certainly it is the root of Nazi fanaticism. Children tend to accept without question what they are taught in the schools. They are impressionable and not able to discern propaganda. They should be protected.

We hope that federal control of thought will never come in this country. We believe that every step possible should be taken to prevent it. We believe that this bill would lead directly to federal control of thought.

Mr. Ramspeck. Mr. Hart, would you be opposed to federal aid, no matter what the language of the bill?

Mr. Hart. I would be thoroughly opposed to federal aid on this wholesale basis. On the other hand, if any state in this country should petition the Congress or let the Congress know in whatever way it cared to do it, that it desired federal aid for education and needed it, I would favor the passage by this Congress of a bill appropriating money for that purpose for that state. But to set up a huge amount of machinery, gather \$300,000,000 from all of the states of the country, most of whom do not need a penny, most of whom have a surplus, would be superfluous, and it would take manpower to administer it, which is unnecessary.

Mr. Ramspeck. The bill does not set up any additional federal agency. But you are opposed to federal aid in principle, and your organization is, are they not?

Mr. Hart. We are opposed to it, except to the limited extent that I say. If, in any state of this country, help is needed and that help is asked for by that state, then I would be glad, and we would be glad, to see the Congress take appropriate steps with appropriate restrictions.

Mr. Ramspeck. Let us take the state of Mississippi; it has been used as an illustration here. It is at the bottom of the expenditure per schoolroom unit, where the average is about \$400 a year. Do you think that a state which is now making an effort 33% greater than the average of the country can meet its educational problem without help from the outside?

Mr. Hart. Let me ask you, has not the state of Mississippi got a surplus this current year, or did it not have last year?

Mr. Ramspeck. I cannot answer that.

Mr. Dondere. Nearly \$13,000,000 for last year.

Mr. Hart. Why, if that surplus exists, and I thought that I had seen that statement--why cannot the state itself do it?

Mr. Ramspeck. It would take considerably more money than the \$13,000,000 to meet the educational requirements in the state of Mississippi. The same thing is true in Georgia, my own state. We have an average teacher's salary of \$806 per year. Do you think that you can get competent teachers on that salary?

Mr. Hart. The state of Georgia is a state that has a good deal of wealth. What I think is needed is education of the people in the state to do for themselves. What I think is necessary is example.

Mr. Ramspeck. You want to continue a system which permits the city of New York to collect \$30,000,000 a year out of taxes on stock transactions from the entire country and have no distribution of that back to the states where it is collected?

Mr. Hart. If my thought were adopted, if the state of Mississippi wants aid and asks for, let us say, \$20,000,000, they would collect just as much from that tax as they will get from this bill. Why go to work and set up an organization

--and it would take federal organization, it would take a swelling of the existing bureaus--why do that, and then send it back?

Mr. Ramspeck. That is a matter of opinion, and I do not think that it would take additional organization because we are providing that the present Office of Education distribute the funds on a mathematical formula.

Mr. Hart. This bill apparently agrees that the states would be put to additional expense because it provides for one half of one per cent of the whole thing as a cost of distribution. They need that for the distribution.

Mr. Ramspeck. To advise in the distribution of the money.

Mr. Hart. Do you not think, with seven or eight pages of controls in this bill, that those would require additional employees in Washington?

Mr. Ramspeck. No, I do not think so.

Let me ask you about your organization. Who composes the National Economic Council?

Mr. Hart. It is a cross section of people in all ranks of like--people who work at the bench; we have farmers, professional men, business men.

Mr. Ramspeck. How many members do you have?

Mr. Hart. We have purposely kept our membership down. We have in excess of 1,000 members.

Mr. Ramspeck. Do you operate by contribution or by dues?

Mr. Hart. We have both dues and contributions.

Mr. Ramspeck. How much money do you collect per year?

Mr. Hart. We have been collecting in the neighborhood of sixty to seventy thousand dollars a year. We have not a large staff at all.

Mr. Ramspeck. You oppose all sorts of bills of this

king to take money out of the federal treasury and distribute it to the states?

Mr. Hart. Not all sorts.

Mr. Ramspeck. Are you opposed to federal aid for highways?

Mr. Hart. We took no position on that at all.

Mr. Ramspeck. You know that Congress recently passed a bill appropriating a billion and a half dollars for three years for highways?

Mr. Hart. Yes, but, under the Constitution, the Congress is charged with, or rather, the Federal Government is charged with the maintenance of post offices and post roads. That is the theory of it.

Mr. Ramspeck. The federal aid is not limited to post roads.

Mr. Hart. I think that you will find that we have been having federal aid for roads for quite a long time.

Under what section of the Constitution do you justify the passage of this bill?

Mr. Ramspeck. Under the general welfare clause.

Mr. Hart. How far are you going to stretch that?

Mr. Ramspeck. Let me ask you this question, and I do not mean to drag something in that has no place here: I seem to have a recollection that your organization was investigated by the Dies Committee.

Mr. Hart. We were never investigated by the Dies Committee.

Mr. Dondero. In other words, you were above suspicion.

Mr. Hart. We were investigated by the LaFollette Committee. They came in there and sent some people who were not very competent, and they were there for two or three weeks, and they did not get much, and finally they demanded that we

dump everything we had on the table before them.

About that time we finished an investigation that gave us an understanding of how the LaFollette Committee had been formed, namely that certain prominent communists or near-communists had been actively interested in starting it or urging that it be started and we sent that information to the press. The day that appeared the committee withdrew, ~~and~~ I was under subpoena to appear as a witness. I received an extension of that subpoena and then another extension, and finally, a year and a half later, I got a communication saying that by order of the chairman the subpoena was deemed fully complied with.

Mr. Ramspeck. They did not investigate you, then?

Mr. Hart. I think that they found that there was nothing to investigate.

Mr. Ramspeck. I do not object to your organization, Mr. Hart. I think that people have a right to state their views and to organize for that purpose.

Now, I want to get back to the Dr. Rugg question. A good deal has been said here about Columbia University. The gentleman who just resigned as president of that university named Dr. Butler, he is not a radical, is he?

Mr. Hart. He is a liberal.

Mr. Ramspeck. You remember that Dr. Butler was once nominated for Vice President for the Republican Party, do you not?

Mr. Hart. Five days before election.

Mr. Ramspeck. You do not think that the Republican Party has radical tendencies, do you?

Mr. Hart. I think that radical tendencies cross party lines.

Mr. Ramspeck. Well, all of this Rugg business happened

without federal aid, did it not?

Mr. Hart. Yes.

Mr. Ramspeck. And this bill has no connection with what has happened in that regard?

Mr. Hart. No. But because I have seen the mischiefs of the Rugg documents I am opposed to his principles being subsidized and spread over the country.

Mr. Ramspeck. Why do you contend that there is anything in the bill that would subsidize an activity that has been going on when the Federal Government was not in the picture?

Mr. Hart. I do not think that that has any connection with it. There are certain good things in the school system and certain things that are less good--certain things that I think are evil. And I notice that a good many of those who are advocating this bill are people who are hand in glove with the Rugg crowd. If a thing like this went through and there was a blanket appropriation for anything that they wanted to do, we would find the Rugg philosophy, or worse than that, jammed down the throats of our children.

Mr. Ramspeck. Some of the people who advocate this bill --we had two witnesses here who were from my own state of Georgia, and they testified that in one of the counties the highest salary paid to teachers is \$100 per month, and the lowest \$25 per month; in the other county the highest salary paid is \$750 a year. You would not accuse those people of being radicals, would you?

Mr. Hart. I do not say that all of the people who favor this bill are radicals. All of the teachers of this country would like to see this go through. They are being bribed to be for it.

Mr. Ramspeck. Do you recognize that there is any relationship between education and income?

Mr. Hart. Yes.

Mr. Ramspeck. Do you not realize that the states where they have the best educational systems are the states with the highest per capita income?

Mr. Hart. No. The best schools in the country today, I think, are the schools in Massachusetts. They were good when I ^{was} ~~was~~ there and I think they are probably as good as they were then. But they are ~~sufficiently~~ superior to those of New York state or New York City. ~~After~~ Three or four years ago the principal of a high school in Boston got \$5,000. ~~I do not know what he gets in New York. It was said here that some in New York they~~ ~~or they~~ ~~get \$10,000, and the schools were probably not so good.~~

Mr. Ramspeck. Do you not think that the job in New York is twice as big as the job in Boston?

Mr. Hart. I am judging by the product.

Mr. Ramspeck. I am not competent to pass on that. I am not an educator. But the city of New York is more than twice as large as the city of Boston, and they probably have twice as many teachers to supervise.

Mr. Hart. I am talking about comparable officials, comparing a high school superintendent in Boston with a high school superintendent in New York City. There is no reason why there should be any difference there.

Mr. Ramspeck. I would not contend that the product of an educational system is directly in proportion to the amount of money spent, but you certainly would not contend that an average of \$1500 a year to all of the public school teachers in the United States is adequate, would you?

Mr. Hart. That would be one thing in the state of Georgia and the state of Mississippi and the state of South Carolina, and another thing in New York City, or Boston, or Philadelphia.

Mr. Ramspeck. That is true, but the average of all of them throughout the nation, the 48 states, is \$1500 a year.

Mr. Hart. And the average has grown continuously for 40 years.

Mr. Ramspeck. But it is far from enough yet.

Mr. Hart. This is a question of education of public opinion along with the adequate and proper development of the product. I can remember in upstate New York 40 years ago when the teachers were not getting anywhere near the figures that you say they are getting in Mississippi and Georgia.

Mr. Ramspeck. You do not defend that condition, do you?

Mr. Hart. No. The cost of living was less in those days in those states, just as it is less today in your two states down there than it is in the centers like Philadelphia and New York today.

Mr. Ramspeck. Do you not think that something is wrong when 35% to 40% of the boys who are drafted into the defense of the country are not accepted because of educational limitations and health limitations?

Mr. Hart. Regarding the educational limitations in this country, some of those boys who showed up badly came from the cities and the states that are spending the most money. We are throwing away money in New York on education. And I know a good many teachers who think the same thing.

Mr. Ramspeck. But I am talking about the states where they are not spending the amount of money you speak about. I am talking about the states where, notwithstanding the fact that they are making a greater effort than New York, they have pitifully low salaries, salaries upon which teachers cannot live, and you do not want us to do anything about it.

Mr. Hart. I said that if, for any reason that
\$13,000,000--

Mr. Dondero (interposing). It was \$8,400,000 that was put into the surplus fund of Mississippi in 1944.

Mr. Hart. If the state of Mississippi cannot use that surplus for any reason, because it is ear-marked, and if the state of Mississippi asks the Congress for aid, an amount of aid that would help materially to improve the situation down there, I would be in favor of the Congress doing it.

Mr. Ramspeck. You would be in favor of the equalization part of the bill.

Mr. Hart. No, I would not, because the cost of living is different in the different states.

Mr. Ramspeck. Well, it is distributed on the basis of the number of children per one thousand of population. Is that not a fair method?

Mr. Hart. I think if the people--if the state of Mississippi, or any other state, does ask this Congress for money, I would hope that the Congress would put in certain restrictions which would limit the purposes for which the money could be used.

Mr. Ramspeck. Then you do favor federal control?

Mr. Hart. Oh, I do not--I would to that extent. That is a year-to-year gift. Perhaps the next year the state of Mississippi could help itself and would not need the money.

Mr. Chairman, in conclusion I would like to say that this whole bill, it seems to me is an awfully poor piece of bill drafting anyway. It is inconsistent in a good many ways, and those are covered in the statement which I left here.

Mr. Hart, of New Jersey. You say that there is no constitutional basis for an appropriation by the Congress for the purposes sought to be obtained by this bill. Yet you say that if a particular state should ask Congress to make an

appropriation for purposes synonymous to those mentioned in the bill, you would favor Congress--

Mr. Hart (interposing). I would favor doing it.

Mr. Hart, of New Jersey. You would favor Congress answering the appeal by making an appropriation. If there is no constitutional basis for such an appropriation, how can a request from a state make it constitutional?

Mr. Hart. You yourselves would have to decide the constitutional question. I have asked the committee where the provision in the Constitution is under which they have a right to do it. I could not find it. I think that they should decide whether it is constitutional.

Mr. McCowen. You have spoken in a very nice way about the schools of Massachusetts, and we agree that they have a fine system. Had you ever heard of the schools of Ohio?

Mr. Hart. Yes. Ohio and Indiana have excellent schools.

Mr. McCowen. Thank you.

Mr. Hart. I happen to know.

Mr. McCowen. In regard to the Rugg books--I might say for your benefit, that I was superintendent of schools. I taught in a one-room country school, in elementary school, high school and was county superintendent of schools where we developed a large consolidated school. We completely consolidated the county and made a splendid school system.

We had something to do with going over textbooks and when the Rugg books came out they were presented for our consideration. We did consider them and we did not put them in our school system, or anything like them. We are just as much opposed to that kind of fallacy as you are.

We had 311 teachers and we thought we would keep them pretty strictly American. As far as the progressive system of education is concerned, I think that I am fairly familiar

with that. I never subscribed to it. There are, however, some good things in the progressive system, perhaps a good many. But its philosophy in general I do not accept.

I was not rising, when you were talking, either in defense or in opposition to this particular bill, but more particularly in defense of the public school system of the United States because I gathered from a good many of your very extravagant statements which could not be supported by evidence at all--

Mr. Hart (interposing). Such as what?

Mr. McCowen. There are so many of them that I could not take time to enumerate them. But I might say that I have been a member of the legislative committees before the state legislature in my state and very many of the extravagant statements and arguments that you have made I have heard time and time again. They are rather stock arguments, and I was rather disappointed that you would go so far out as to practically say, if I understood you correctly, that the product of the public school, in general, is not worth anything at all.

Mr. Dondero. I do not remember the witness making any such statement, I am sure.

Mr. McCowen. As far as that is concerned, every one of my colleagues is just as sincere in this thing as I am and everyone has a perfect right to his opinion, regardless of what it is. But I am quite sure that we are all intelligent enough not to permit a continuously changing point of view in a discussion in opposition to affect us on a general proposition. There is not a member of this committee or in Congress who is any more opposed to federal control than I am, and just the minute that this bill, or any other bill, gets to the point where there would be an attempt at federal control, I would oppose it from that point just as vigorously

as anyone.

I have not made up my mind personally what I will do about this bill, but I do rather dislike, having been in school business for many years, and I think that I know something about it--I do dislike to hear the public school system so generally condemned. Of course, it is weak in many spots. Of course, there are a lot of weak products from it. And I would much prefer local control. My state of Ohio, perhaps, would not need any of this.

If we had been able in the states to have built the right kind of buildings and to have equipped them, and to have paid teachers' salaries so that they could afford to go out and get training so that they would be properly equipped, it is my opinion that we would have had ten times better a product from our public schools. The public schools have done wonderful things and they have come up for 150 years, and they did provide for the needs of the community. But we have been living in a rapidly evolving society, and there is going to have to be a tremendous improvement in the public schools in this country in the next five or ten years, and nothing has shown that more than this war in which we are now engaged.

My defense is more for the public school system than it is for or against this bill, and I want it so understood.

So far as socialism is concerned, I came to Congress primarily because I am against the socialist form of government, and I think that the votes I have taken in Congress will distinctly show it. I am also against extravagant expenditure as much as anyone, but if I had made up my mind for or against this bill, I do not think that I would be worried about \$300 or \$400.

Mr. Hart. Mr. Chairman, I cannot let the moment go by without saying that I think that the Congressman must have

misunderstood me, because I never intended to condemn the whole school system. I think that it could do a vastly better job if it would disassociate itself with a great many things with which it seems in many cases to be mixing itself up. And I can back up every statement that I have made here today. I am willing to stay now and do it or I would do it by correspondence.

Mr. McCowen. There are so many of your points that you made, as I understood you, that have no connection whatever with this bill that I do not think that it would be worth either your time or mine.

Mr. Hart. I am prepared to do it.

Let me conclude with this: In the state of New York we have had many instances where in whole groups of high schools in certain sections no pupil was able to graduate and pass the general college board examinations and we have had many instances where the level of the standards have had to be reduced because otherwise so many of the pupils would fail to pass the examinations.

The Chairman. May I ask you this question: During the hearings it has developed that there are large areas in this country i.e. virtually every state in the Union, including New York, where the teachers are miserably underpaid. In many of the states there has been considerable evidence submitted that they are not able under present circumstances to remedy the situation and that the low rate of pay, ranging from seven, eight, nine hundred to a thousand dollars, has caused the qualified teachers, or many of them, to leave that profession. Of course, the children pay the bill in the long run.

Now, what would your opinion be of the Congress setting up a fund and restricting the use of that fund to the supplementing of teachers' salaries where the salary drawn by

the individual teacher is less than, we will say, the figure of \$250 per month as of a certain date? Now, in that way, the greatest good could go invariably to the distressed areas. What would your opinion be of a fund of that type?

Mr. Hart. Mr. Chairman, I would be opposed to it.

You say that those areas exist even in the more wealthy states. Take the state of New York, which I know most about. Their education is now substantially paid for by the state. It has just recently increased its state aid to localities, and if that state, the richest state in the Union, is not able to look out for the people in its own sparsely settled areas, about which it must be presumed that they know more than the Federal Government, then I would not worry about it. I would let that go. Let the state do it. You gentlemen have plenty to do down here on national problems. But this, it seems to me, is a local problem.

The Chairman. I expect that I can give the gentleman a much longer lecture on what we have to do than he can in telling me what we have to do. But I am not concerned about that right now.

I notice in your remarks that you say that if a state or an area of the state were in dire need, then you would favor a fund to be given to that state. Now, it is hardly advisable or practical for the Congress to begin to legislate local legislation to help every one of the 48 states. I am relying on the charts that we've presented here showing that, for instance, 8½ of New York was fairly in the class where they were not properly taken care of.

Now, you refer to the state. I am one of those who believe that education is the primary responsibility of the state, but my belief in that is not relieving the children who are suffering under the conditions permitted to exist by

the states. I believe just as strongly as you do that the state should do it. And I have no doubt but that I could find somebody in the state of New York that would have many opinions upon what I should do, but they have the same right to that opinion as I have to my opinion about the state. But New York and many of the states, as I understand it, operate in local school districts. In many of the states the states do not pay for the schooling as a state. It is done by local school districts.

Now, I am not ready to say that it is up to us to pass legislation here to force every state in the Union to operate as a state unit in so far as it controls its schools. That is a matter for them. But that system having grown up, you can very easily see how you could find most glaring illustrations of distress. In one school district up here in New York state, I believe you call it upstate New York, there are those glaring illustrations of distress, whereas down in the bailiwick of the Little Flower of Italy they are not doing so badly.

Now, what--and I ask this question seriously--is our responsibility and what is the best thing for the country, and that is what we have got to solve here.

Mr. Hart. Mr. Chairman, I think that one thing that we have to remember is that we are all impatient for the more rapid improvement of the things in which we are interested and about which we know. That is human nature. We would all like, by instinct, to jump to perfection if we could. But I think that human experience shows that the best growth is frequently the growth that is not quite so fast. Perhaps fewer mistakes are made.

Just as the salaries in upstate New York used to be six or eight hundred dollars and now are \$1500 or more, so down in Mississippi the salaries are now seven or eight hundred

or a thousand dollars. Presumably they have grown tremendously to reach that point in recent years.

The Chairman. May I call to the witness's attention this fact: For a long time this Government stood by the policy that health was a local responsibility and, therefore, there was no contribution made to the health of the communities. Well, the health of children, in so far as their future is concerned, is so closely related to the education of that child that I am wondering just how fine a knife it is going to take to separate the two.

Mr. Hart. I do not think that it would take a very fine knife, Mr. Chairman, because, on the question of health, there can be no doubt that good health is good health.

The Chairman. And the same thing has been said about education.

Mr. Hart. But in the matter of education, education is, to a large extent, always experimental. I think that we are better off in this country to have 48 states experimenting in education because time will abide the event. It will take time to decide which has the best method.

The Chairman. I am not speaking of methods, Mr. Witness. I am speaking of the question of adequate compensation to the teaching personnel to keep the standard of that personnel up to the point that the children will receive fair treatment and that they will not grope in ignorance in this country because eventually society in general--first the child pays the bill and then society in general pays the bill.

Now, I am just wondering if the suggestion made by me that this fund be provided and the bill so written as to do the most good where the greatest emergency exists in all states alike would not be at least a step in the right direction.

Mr. Hart. I do not think so, Mr. Chairman, because once you set yourself the task or the Federal Government sets itself the task of deciding where the need was greatest it would have to set up machinery to ascertain where the need was greatest.

The Chairman. Let me ask you this: How would you ascertain the facts that would be necessary to support your suggestion as a solution of giving funds to the individual states?

Mr. Hart. I would start out on the theory that there would be very few states that were in a condition where they could not do anything for themselves. I am not satisfied that there are any.

The Chairman. But you would still have to have the machinery to ascertain the facts.

Mr. Hart. Within the states. I think that most states would hesitate to ask the Federal Government for money. You have heard from just one section. Has New York been down here asking for this bill to be passed?

The Chairman. I do not know who New York is.

Mr. Hart. Take Governor Dewey--has he been down here?

The Chairman. Is he New York?

Mr. Hart. As far as I am concerned, he is not.

The Chairman. I might say this, that I have had this feeling about the state governments, or I might say that it is bothering me a little because the governors of most of the states are, on the one hand, complaining about federal interference, but they very carefully keep that other hand out behind them just in case you want to drop some federal money in it. Now, I am afraid that sometime, somewhere the state governors are going to have to be consistent and make their gestures against federal contacts with both hands and not keep

one behind them. So I am unable to say who is speaking for the states. I would not say that any one governor could speak for everybody in the state because most of them just are barely elected.

Mr. Judd. Have we any requests from legislatures?

The Chairman. Doctor, I might say that that is just one of those things that I have not had the time to do, and that is to collect and review and separate and classify the various types of letters received by me. I saw one here that I put in the record from the Governor of Mississippi. But the letters are coming into the office and I try to be courteous and try to respond to them, but if many more come in I just do not know what my record will be. I can get along fairly well with my district and with my state, but the folks from the other states--well, my folks write their letters in longhand and they write my language.

Mr. Ramspeck. In answer to Dr. Judd's question, the Georgia state legislature by a unanimous vote, has asked for the passage of the bill.

Mr. Dondero. How can you justify that, with the surplus that they have in your state?

Mr. Ramspeck. The surplus is all road money, which is allocated.

Mr. Dondero. Then spend a little more on education and not so much on roads.

Mr. Ramspeck. I think that that is true of Congress, too.

Mr. McCowen. One other question:

Did your organization support the measure of the New York General Assembly for equalization for the public schools in that state?

Mr. Hart. We took no position on it.

Mr. McCowen. I thought that I heard you say a while ago in your talk, and if I am wrong correct me, that you considered the raise contemplated in this bill for teachers' salaries as a bribe to the teachers to support the bill.

Mr. Hart. I said that. That is rather crude language, I admit, but I think it is, in effect, true.

Mr. McCowen. Would you consider that members of the great labor organizations support their measures as a bribe?

Mr. Hart. Well, I do not know.

Mr. McCowen. It is the same thing. They want more money and they fight for it. Is that a bribe? Is that why they support it?

Mr. Hart. I suppose that it represents their very great interest in it, of course.

Mr. McCowen. Surely!

Mr. Hart. But can we dish out the public money to groups at the instance of its members?

Mr. Chairman, may I say that it seems to me that this is the fundamental. The Federal Government has got some \$240,000,000 of debt and is running into debt forty or fifty billions every year. The states, on the other hand, their finances have been steadily improving in the last two years. In two years the state of New York put aside about three hundred millions of savings and I understand that nearly all of the states have put aside some savings up in the millions. The states' debt is declining and only aggregates two billion, and the federal debt is two hundred and forty billion. It seems to me that that is another reason why it should be left to the states.

The Chairman. I can follow your reasoning perfectly, right up to this point and I have a great many ideas along that line up to the point where I confront the children who

are paying the bill, and then I weaken a little bit.

Mr. Hart. Mr. Chairman, I stated in my remarks that I thought that sometimes when the money appropriations had been increased the education got poorer. I have seen that happen in New York state.

The Chairman. I have seen many a man that the richer he got the worse he was. But that does not solve our situation here.

Mr. Hart. Just one concrete example: It has been demonstrated recently, and you are familiar with this, that the teaching of American history has been largely neglected in the public schools. There have been a lot of other things undertaken and that has been at the expense of teaching of American history. Some new subjects have come in which lack the practical application, in the minds of a great many people, that American history has.

The Chairman. I agree with the gentleman that we need a good flit gun, but I do not know how we will use it.

Mr. Hart. Thank you.

Mr. McGehee. The Congress heretofore for many years has been making contributions to the different states for public health and the federal control in the states has been, you might say, nil. If this committee sees fit to pass this bill making contributions to the different states of the Union in aid of educational work and, of course, the contributions would be more to some of the poorer states by the equalization fund so provided for, and you and your organization were assured that there would be no more federal control over it, or you believed that there would be no more federal control over it than that which the Congress is doing today in the field of public health, would your organization oppose it?

Mr. Hart. Yes.

Mr. McGehee. You would oppose it even then?

Mr. Hart. Yes. We could not believe, Congressman, that the control would not enter in.

Mr. McGehee. You think that the Congress would change any act by the present Congress and assume control?

Mr. Hart. I do not think, Congressman, that the Congress could control the thing once it was set up. I think that it would become an expenditure that would become an annual expenditure and could not be reduced and it would tend to be increased.

Mr. McGehee. That is probably true in practically all appropriations in all of your government activities.

Mr. Hart. I think that the passage of this bill would, in effect, be subsidizing ~~of~~ the theories of Dr. Rugg and others like that and that those of the more conservative people who believe in more thorough teaching in the three R's, if you please, in the resumption of the teaching of American history, would lose out.

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your teachers more money they are able to attend the institutions throughout the country during the summer months, and certainly I would not want to see them go up to Columbia and be tutored by Dr. Rugg and others like him. But my idea is that the tendency will be that they will come back and teach Americanism, more so than they are able to do now.

Mr. Hart. But if they go to Teachers College at Columbia--

Mr. McGhee. I do not approve of Columbia.

Mr. Hart. We agree.

The Chairman. Is there anyone who would care to file a statement that it would not take over two or three minutes to make the verbal statement?

STATEMENT OF F. E. BASS, ESQ.,
EXECUTIVE SECRETARY OF THE
TENNESSEE EDUCATION ASSOCIATION

Mr. Bass. Mr. Chairman and gentlemen of the committee: I am F. E. Bass, Executive Secretary of the Tennessee Education Association, Nashville, Tennessee. I would like to file this statement, coming from 17,500 school teachers, and reporting that our state legislature recently passed unanimously a resolution calling on the Congress to enact this federal aid bill.

The Chairman. How did the legislature act on the request for an increase in payment to teachers?

Mr. Bass. We have had a small increase in salary.

The Chairman. Was it unanimous?

Mr. Bass. It was, sir.

(Statement of F. E. Bass, Esq. follows:



Mr. McGehee. No man in Congress is more sold on the teaching of the three R's than I am. No Congressman has been more exorcised over the theories of Dr. Rugg and the New Deal than I have been. It looks as though in my state any boy can get an education if he wants to go after it, regardless of the poor salaries paid to our teachers, and I know that our teachers are paid too small salaries. I do not see how they live on it in many instances. And I am ready, with you, to condemn many schools.

A member of Congress had quite a little controversy with his newspapermen in his district when they saw a statement that he had made that out of 120 appointments to Annapolis not one was able to pass the entrance examination out of the high schools in his city. Now, if you are able to give

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(STATEMENT OF F. E. BASS, ESQ.)

STATEMENT OF MARVIN E. BIRD, ESQ.,
PRESIDENT, ARKANSAS EDUCATION
ASSOCIATION

The Chairman. Would you give your name to the reporter?

Mr. Bird. I am Marvin E. Bird, President of the Arkansas Education Association. I have a statement that I want to file on behalf of the teachers of Arkansas.

Then I have a statement of Mr. Ralph B. Jones, State Commissioner of Education for the state of Arkansas. I will submit this statement for the record.

The Chairman. Thank you.

Mr. Judd. Did your legislature take any action in Arkansas on this bill?

Mr. Bird. No, sir.

Mr. Judd. But the Commissioner's position is in favor of the bill?

Mr. Bird. Yes, sir.

(The statements of Marvin E. Bird, Esq., President of Arkansas Education Association, and Ralph B. Jones, Esq., State Commissioner of Education, follow.)

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(STATEMENT OF MARVIN E. BIRD, ESQ.)

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(STATEMENT OF RALPH B. JONES, ESQ.)

STATEMENT OF M. F. COOLEY, ESQ.,
PRESIDENT OF CLASSROOM TEACHERS,
OHIO EDUCATION ASSOCIATION

Mr. Cooley. My name is M. F. Cooley, of Warren, Ohio. I am president of the classroom teachers, Ohio Education Association, and I am presenting this statement on behalf of the Education Association of its official attitude, which I desire to have filed for your consideration.

I may say that in Ohio we are right at the present time dealing with the legislature through its committees. The Senate Committee passed our proposal favorably and by a unanimous vote. The Senate itself, by a vote of 27 to 4, was in favor of increased aid. We are right now in the House, trying to get the House to act favorably.

We are one of the states that does have a surplus. A large part of that is allocated for post-war operations.

Mr. Judd. That was a vote of 27 to 4 by the legislature?

Mr. Cooley Yes.

Mr. Judd. Not 27 to 4 for this bill?

Mr. Cooley. No.

Mr. Judd. You are appropriating money for the teachers?

Mr. Cooley. That is right. But we feel that that is not sufficient to take care of the whole situation.

Mr. Dondero. How much increase will that allow the teachers of the state of Ohio?

Mr. Cooley. That would be an increase of about \$8,000,000 over the biennium.

Mr. Dondero. And how much would that be per person, in percent?

Mr. Cooley. In number of dollars per teacher? It would be around \$150 per teacher.

Mr. Dondero. About \$15 per month additional.

Mr. Cooley. Yes.

Mr. McCowen. Did not the legislature of Ohio also provide for an increase last year?

Mr. Cooley. Yes. In 1943 there was a very bad situation. There was no increase granted during that time. In 1944 there was an increase and the school needs, to some extent, were recognized by the legislature. I want you gentlemen to have the idea that Ohio is not a laggard, neither is our Education Association backward about working on their dealings with the legislature there.

Mr. Judd. Do you know whether these two increases amount to more or less than the little steel formula?

Mr. Cooley. Less. It still comes under that.

Mr. Gwinn. Do you expect to take care of your own situation in Ohio?

Mr. Cooley. We are in favor of federal aid as a general proposition, associated with the idea that I think Representatives here have mentioned--I know that Congressman McCowen mentioned it--where you tax the wealth where it is to take care of the children where they are. Ohio, in this respect, would actually, on the basis of figures, contribute about \$15,000,000 and benefit to about the extent of \$3,000,000.

Mr. Gwinn. You would get back less than you would pay out.

Mr. Cooley. That is right.

Mr. Gwinn. Then would you not be in favor of appropriating money to the states that need money and leaving those that can to take care of themselves, like Ohio?

Mr. Cooley. No, I am not certain that I am in favor of that because that would--you are from New York?

Mr. Gwinn. Yes.

Mr. Cooley. New York, on this matter of the tax on

stock transactions coming in from all over the United States, collects funds that come from all of these sources. Consequently, I would be in favor of collecting from New York in taking care of the needs of New York, as shown to you gentlemen.

Mr. Gwinn. Do you want a department in Washington to ascertain the needs in New York?

Mr. Cooley. As the general need has been established by the formula or some other adequate formula by which the distribution can be taken care of.

Mr. Gwinn. I do not understand your position at all. There is no state that may not need something, that may not be needed in some way to do something--needed from Washington to do something about education.

Mr. Cooley. No. There are educational needs in all states. However, it is the responsibility of the state to take care of--to build up its educational system and see that it is properly organized and coordinated.

Mr. Gwinn. Where does the Government come in?

Mr. Cooley. In the understanding of the general welfare of the country as a whole. While you may not have a specific responsibility for education as it is conceived in any particular school, yet certainly you gentlemen have an interest in the education of the citizens of all the country.

The subject of mobility was brought up yesterday. That is one feature and an interesting and important feature. We are interested not only in what our neighbor next door to us does, but also throughout the entire nation.

Mr. Gwinn. But that is the excuse for building up something in Washington that sets the ethereal position that it hardly can be defined.

Mr. Cooley. I think that you are taking the attitude,

'sir, that those people take who have a fear of federal domination--some federal bureau that will be built up that will specifically control the education throughout the different states. My own feeling or opinion is that this bill, even though you would strike out the portion relating to the Commissioner of Education being the one to distribute the funds, so far as the rest of the language is concerned would provide funds, but would eliminate the possibility of federal control.

Mr. Gwinn. If you reduce it to a question of funds, under what possible theory would you take money out of New York and send it back again?

Mr. Cooley. On the general welfare of the nation basis.

Mr. Gwinn. Why not determine what state needs the welfare and take the money from New York and give it to Mississippi, for instance.

Mr. Cooley. That would not be general welfare. That would be a localized proposition. You would get back to the proposition which we desire to avoid, of having some agency to determine where that need was greatest, set up standards for that, have some organization to examine into it very minutely and determine whether states had met those standards. There would be all sorts of possibilities of political backer demands from different organizations for that money.

Mr. Gwinn. Ohio, I see, has a gross debt of \$11,000,000.

Mr. Cooley. Yes.

Mr. Gwinn. There is no doubt in your mind that Ohio can pay for its own education, is there?

Mr. Cooley. I would say "No," to that, and there is not in anything I have said any indication that it would not be paying for it. We would be paying more. That is, the Federal Government would be collecting more than we would be receiving. In other words, there would be a surplus coming

out of Ohio that could be used in Mississippi or these other states. It would simply be on the basis of Ohio sharing in the general fund for our common welfare.

Mr. Judd. Even though you were getting back less, \$9,075,000 more would be being spent in Ohio than is now the case.

Mr. Cooley. That probably is true. We do not feel that that would be an adequate amount.

Mr. Chenoweth. You do not agree with Dr. Dawson on the obligation of the Federal Government in the education field, do you? He puts the states first, then the local districts, and then the Federal Government. He comes in on the one hand and says that it is an obligation of the Federal Government and he does not recognize any responsibility of the Federal Government to have any voice in that education, which I claim is an indefensible position.

Mr. Cooley. I believe that the Federal Government has an interest in education.

Mr. Chenoweth. But not a responsibility?

Mr. Cooley. Not except as it might be interpreted through the general welfare clause.

Mr. Chenoweth. You have heard Dr. Dawson state his position?

Mr. Cooley. Yes, and I am not taking exactly the same position on that.

Mr. McGehee. The first day of the hearing, Tuesday, and today there has been a great deal said about Mississippi and the accumulation of money in the treasury of Mississippi. I just want to explain that to the committee.

In January a year ago, at the convening of the new legislature they found some \$2,000,000 in the treasury, which was accumulated over the biennium. The Mississippi legislature

authorized the issuance of bonds over a period of years prior to that for the upkeep of schools and it has developed that Mississippi is above the national average in trying to maintain the average. The legislature authorized the investment of \$21,000,000 of this accumulated surplus to retire \$21,000,000 of the \$24,500,000 bonds outstanding issued prior to that. Those bonds were issued in trying to carry on the expense of the state and especially the educational program and the construction of buildings and other school improvements. So it has placed in a fund to retire the past accumulated debts and the maintaining of the state's work and especially through the schools, the \$8,000,000 accumulated in the treasury in the biennium.

Since January a year ago, which, of course will be controlled by the legislature which comes in, Mississippi has increased its appropriation for schools from about twelve or thirteen million to nineteen or twenty million dollars last year. I think that my state is making great strides in that respect, but still we are unable to tax our people so that we can meet the maximum standard as testified to before the committee.

I wanted to make that explanation and let you know that we are not quite so bad as you may have thought.

The Chairman. If you tried to take the whole jump at once it would be like our trying to balance the federal budget with one tax bill.

(Statement filed by W. F. Cuoley, Esq., and signed by S. B. Bliss, Esq. follows.)

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STATEMENT FILED BY W. F. COOLEY

STATEMENT OF ARTHUR COREY, ESQ.,
EXECUTIVE SECRETARY, CALIFORNIA
TEACHERS ASSOCIATION, SOUTHERN

SECTION

Mr. Corey. I should like to file a brief statement for the California Teachers Association, Southern Section, of which I am Executive Secretary.

The Chairman. Thank you. Without objection it will be filed.

(Statement filed by Arthur Corey, Esq., Signed by Roy W. Cloud, State Executive Secretary, follows.)

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STATEMENT FILED BY ANTHONY OCREW, ESQ., SIGNED BY
ROY W. CLOUD, STATE EXECUTIVE SECRETARY.

Mr. Dondero. We have a representative here from Michigan, Superintendent Edgar Downs, of Ferndale, Michigan, representing the Michigan Education Association, and he would like to be heard extemporaneously.

The Chairman. Mr. Downs, I was in hopes of getting to you this morning, and I will try to do so.

Mr. Ramspeck. Mr. Boushall, representing the United States Chamber of Commerce is here, and he is neither for or against the bill. I have just ascertained that there will be two hours of general debate in the House before they start to consider the bill. I was hoping that we could hear Mr. Boushall.

The Chairman. I will not let these folks down.

STATEMENT OF JERRY WELLES, ESQ.,
SUPERINTENDENT OF COUNTY SCHOOLS,
FULTON COUNTY, GEORGIA.

Mr. Welles. I am Jerry A. Welles, Superintendent of County Schools in Fulton County Georgia. I desire to file a statement on behalf of M. D. Mobley, Director of Vocational Education for the state of Georgia, and president of the American Vocational Association, Inc., with reference to the need for funds for general education in the country.

The Chairman. Thank you, sir.

(Statement filed by Jerry A. Welles, Esq., follows.)

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STATEMENT FILED BY JERRY A. WELLES, SIGNED BY
M. D. MOBLEY.

STATEMENT OF MRS. S. C. PATTERSON,
PRESIDENT GEORGIA EDUCATION ASSOC-
IATION.

Mrs. Patterson. I am Mrs. S. C. Patterson, President of the Georgia Education Association. I have the honor of presenting to you first the letter of transmittal; next a resolution passed by the Delegate Assembly of the Georgia Education Association on April 12, 1944; next a joint resolution adopted by both houses of the Georgia General Assembly, February, 1945; and third a letter from His Excellency Ellis Arnall, Governor of Georgia.

May I say, for your information, that out of that surplus that we had in Georgia at the end of the fiscal year 1944, the public schools received four and a half million dollars--three and a half million dollars for an increase in teachers' salaries, and one million for teachers' retirement, and we anticipate that at the end of this year, we expect another million and a half. We feel that Georgia is doing all that she can do.

Mr. Dondero. Every witness from Georgia indicates the high standard of the education in Georgia.

Mrs. Patterson. I might say, sir, that I might be in ill repute if you knew that at one time I went to Columbia University.

The Chairman. Thank you.

(The statements filed by Mrs. S. C. Patterson follow.)

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STATEMENTS FILED BY MRS. S. C. PATTERSON.

STATEMENT OF CRAIG P. MINEAR, ESQ.,

EXECUTIVE SECRETARY, COLORADO

EDUCATION ASSOCIATION

Mr. Minear. My name is Craig P. Minear, Executive Secretary of the Colorado Education Association. I speak on behalf of the 9,000 teachers of Colorado. At the last Delegate Assembly they unanimously adopted a resolution in support of this legislation.

I am very glad to present the statement.

Mr. Chenoweth. Mr. Minear, would you state briefly what Colorado did this last session?

Mr. Minear. This last month the Colorado legislature passed an equalization bill which increased to the schools of Colorado about a million dollars from state funds, which went to the public schools of Colorado on the equalization basis. In other words, that money goes to the poorest schools. They established a minimum program of education below which no school would be permitted to go and receive state funds. This program provides for \$1200 for elementary schools and \$1500 for high school. In order to reach that minimum program after the local district had levied sufficient levy, which was designated in the bill, if they could not reach that minimum program the state supplied the difference. And the local districts were permitted to go as much above that as they could.

This state bill will do a great deal for the poor schools, but still we are in a position where every teacher out of three is an emergency teacher. Our teachers are leaving for better paid positions.

Mr. McCowen. How much of the \$1200 is for the teachers in the one-room schools?

Mr. Minear. It is based on the classroom unit of that

amount--approximately 75%.

Mr. McCowen. \$1200 is the total cost?

Mr. Minear. \$1200 is the total cost.

Mr. McCowen. And about \$900 of that is teacher's salary?

Mr. Minear. That would be the general percentage.

Mr. Chenoweth. I am sure that you felt very proud when you heard Dr. Dawson refer to Colorado as one of the finest states in education.

Mr. Minear. We have increased from 9% to 12% on state funds. Still some of our districts are too low and they are unable to support a decent school in their districts.

Mr. Chenoweth. This Act of the legislature will provide a great deal of help there.

Mr. Minear. Yes. Thank you.

(Statement of Craig P. Minear, Esq. follows.)

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STATEMENT OF CRAIG P. MINEAR, ESQ.

STATEMENT OF HARRISON U. WOOD, ESQ.,
PRESIDENT, WISCONSIN EDUCATION
ASSOCIATION

Mr. Wood. My name is Harrison U. Wood, of Racine, Wisconsin. I am president of the Wisconsin Education Association.

I have two documents which I wish to file with the committee, one a letter of endorsement by the Wisconsin Education Association, and one a letter of endorsement from the State Superintendent of Public Instruction.

Mr. Chairman, I would like to say that a statement was made in a disparaging way in regard to teachers' forums, and we had one last year and it was one of the outstanding meetings of the year. It was presided over and spoken to by Dr. Judd.

(Statement filed by Harrison U. Wood, Esq. follows.)

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STATEMENT FILED BY HARRISON U. WOOD, ESC.

STATEMENT OF FRANCIS W. BEEDON, ESQ.,

PRESIDENT, MICHIGAN STATE TEACHERS

CLUB

Mr. Beedon. My name is Francis W. Beedon. I am president of the Michigan State Teachers Club.

I wish to reserve to Mr. Downs the right to make any further complete statement of our organization.

The Chairman. Thank you.

(The statement of Francis W. Beedon follows.)

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STATEMENT OF FRANCIS W. BEEDON, ESQ.

STATEMENT OF CHARLES J. DALTHORP, ESQ.,
SUPERINTENDENT OF SCHOOLS, ABERDEEN,
SOUTH DAKOTA

Mr. Dalthorp. Mr. Chairman, my name is Charles J. Dalthorp. I am Superintendent of Schools, Aberdeen, South Dakota.

I have a report from the South Dakota Education Association, a very brief report. Our appropriation for education was increased from \$1,000,000 to \$3,400,000, and most of that aid went to the smaller school districts, leaving the larger districts out. It will allow most of them to continue to operate during the next two-year period.

Last fall 70% of the town districts had reached their mill limitation of tax--25 mills, and half of those were operating on a warrant basis, so some type of relief will be essential very soon.

(The statement of Charles J. Dalthorp, Esq. follows.)

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STATEMENT OF CHARLES J. DALTHORP, ESQ.

STATEMENT OF MARY ELLEN LEWIS,
REPRESENTING THE BOARD OF DIR-
ECTORS, MICHIGAN EDUCATION
ASSOCIATION, ANN ARBOR, MICHIGAN

Miss Lewis. I am Mary Ellen Lewis of Ann Arbor, Michigan, where the University of Michigan is located. I represent the Board of Directors of the Michigan Education Association.

I have a resolution which the Board of Directors passed, representing 32,000 Michigan teachers, in April 1944, and I wish to present it for the committee's consideration.

I reserve any other comments for our president, Edgar Downs.

(The statement of Mary Ellen Lewis follows.)

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STATEMENT OF MARY ELLEN LEWIS

STATEMENT OF ERNEST GIDDINGS, ESQ.,
CHAIRMAN, MICHIGAN FEDERAL RELATIONS
COMMITTEE, GRAND RAPIDS, MICHIGAN

Mr. Giddings. I am Ernest Giddings, of Grand Rapids, Michigan.

I am submitting a report on the need, so far as Michigan is concerned, in the best way that we can state it, for federal aid. I represent the Federal Relations Committee that speaks for about 8,000 NEA members in the state of Michigan, and about 30,000 members--teacher members of our state Association.

I would rather leave anything further to the president of our state Association, Mr. Downs.

(Statement of Ernest Giddings, Esq. follows.)

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STATEMENT OF ERNEST GIDDINGS, ESQ.

STATEMENT OF GLENN SNOW, ESQ.,
PAST PRESIDENT, UTAH EDUCATION
ASSOCIATION

Mr. Snow. My name is Glenn Snow, from Utah, past president of the state Association.

I would like to file with you a statement from the Executive Committee of our state Association in Utah.

In Utah during the past year we have appropriated extra money for schools and have raised the limits for property taxes in order to carry on. We feel that in Utah we are giving about as much in proportion to the dollar as any state in the nation. On the local basis the Governor has recently announced that it will be probably impossible for them to meet the appropriations which have already been made.

We feel that because Nevada, Representative Bunker's state, and California are our neighbors we are in competition with them for our teachers. In any event, we have had what we consider an excellent school program. We feel that the teachers have done a good job considering what they had to do with. The ratio of births in Utah in proportion to adult population gives us an especially heavy program.

We are, as Representative Chenoweth stated, a state where mining is a major industry. One of our mines, and a number of others, but particularly one, is owned 90% outside the state and pays something in the nature of \$20,000,000 of dividends to districts outside of our own state. Consequently we feel that it is fair that some part of that return should be made to the children of the state who are supported there.

Mr. Judd. How much does that mine contribute to the taxes in the state?

Mr. Snow. Approximately, the amount of its total tax bill is somewhere in the neighborhood of \$20,000,000. By

reason of an Act of the legislature special subsidies are given to this company to induce extra activity on the part of the company now.

Mr. Judd. And out of that \$20,000,000 about half of it goes to dividends outside of the state and half to taxes in the state?

Mr. Snow. The \$20,000,000 is dividends which go outside of the state and \$20,000,000 additional for taxes.

Mr. Chenoweth. Are you the same Snow who about 30 years ago was a two-mile runner?

Mr. Snow. No. I often have the inclination to run, but I am not the one.

Mr. Gwinn. You are a school teacher?

Mr. Snow. Yes.

Mr. Gwinn. We are all interested in the kind of economics which you teach. I am curious to know why you think that simply because \$20,000,000 of dividends is paid outside of the state for capital which is invested in your state that that is a special reason why that should be taxed to bring that back.

Mr. Snow. Mr. Chairman, it seems to me that there is a special reason why the facilities of a state should go to help the people of the state. If we had not already in Utah had an income tax, an inheritance tax, a sales tax and a property tax and other taxes as a basis for our present school program and were still unable to do the type of work which the citizens want to do, then we would not feel, perhaps, that it was necessary to go to institutions which have broader bases for the support of schools in Utah. The wealth there does not represent a broad enough base to take care of the citizens.

I might quote this: We had one per hundred of our inductees who was turned down because of physical and mental

deficiency, as against, I think on the same ratio, some 26 in the Southern states. I think that one state has a higher ratio than we did. They had eight-tenths of one per cent. That is a contribution to the nation. If we could give this same type of contribution without calling upon other agencies of government, we would be happy to do it.

Mr. Gwinn. You misunderstood my question. I am curious to know why you think you should follow dividends paid throughout the nation when it is people who have invested their capital in Utah who have made this very rich harvest for your country or your state, on which you now collect \$20,000,000 in taxes, and from that very property.

Mr. Snow. We feel that the wealth of the country has a primary responsibility to the country. I do not know that I am answering your question as you intended, Congressman.

Mr. Ramspeck. Do you not feel that the wealth of that mine has been exploited by the stockholders and they ought to make some contribution to the children of Utah?

Mr. Snow. Yes.

I gathered that you contributed a subsidy to this company and that perhaps that, in itself, answered the question you asked.

Mr. Gwinn. I cannot follow Mr. Ramspeck or you on your theory that that capital that came to your state has not made its great contribution already, and why should you call it exploiting capital when it has done nothing but develop your resources?

Mr. Snow. Did I use the word "exploit"?

Mr. Gwinn. No. Mr. Ramspeck did.

Mr. Snow. I think that the wealth of the state has an obligation to the state itself. And I think that where the wealth is owned or where we can reach it with current systems

of taxation, then we should do that, but particularly here we cannot. We cannot reach it on our income tax for instance. We can reach other forms of wealth in the state on our income tax. I think that you get the point that I have.

Mr. Gwinn. But the great state of Utah, which, after all, is a rich state among the new ones, has a debt of \$1,789,000. You are not pleading poverty, that your state cannot by itself take care of its education if it wanted to do that, are you?

Mr. Snow. I am telling you that we make a bigger comparative effort to take care of Utah than the wealth of New York, for instance, is making, and that by raising our tax limitations and making extra appropriations from the legislature we cannot do what the people of the state themselves want to do.

Mr. Judd. Can you not borrow money?

Mr. Snow. Yes. We borrow money. We adopt all of the procedures for getting money that other states do.

Mr. Judd. Can your state not borrow money? We have to borrow money.

Mr. Snow. Yes.

Mr. Judd. We have to borrow money and let the next generations pay for it.

Mr. Snow. The bases for taxation on the federal level, even for the wealth of Utah, is so much broader than the bases for Utah that we can reach taxable capacity through the Congress of the United States which is not otherwise reachable in the state. That is why, in answer to your question, I believe it fair to help us to get this fund from the wealth of our state.

Mr. Chenoweth. Have you approached the state legislature?

Mr. Snow. Yes, and they have given us some \$4,000,000. It actually is approximately \$200 per teacher this year. I should say this, too, in Utah we have teacher training institutions, and still we are not able to meet the demand for teachers in our own state. But the higher rate of pay offered in Nevada and California, and we are close to them, drains our good teachers to those states.

Mr. Chenoweth. That is in normal times, too.

Mr. Snow. Yes.

Mr. Chenoweth. And the defense industries are taking a lot of teachers, too.

Mr. Snow. Yes.

Mr. Chenoweth. Would you say that in normal times Nevada and California pay more to teachers than Utah does?

Mr. Snow. Yes.

(The statement filed by Glenn Snow, Esq. follows.)

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STATEMENT FILED BY GLENN SNOW, ESQ.

STATEMENT OF RUTH HETZMAN,
VICE-PRESIDENT, SOUTHEASTERN
MICHIGAN ASSOCIATED TEACHERS
CLUBS

Miss Hetzman. My name is Ruth Hetzman, of Royal Oak, Michigan, Vice-President of the Southeastern Michigan Associated Teachers Clubs.

I want to file a statement for our organization that we are solidly back of H. R. 1296, and we believe that it gives the necessary federal aid without federal control.

Mr. Dondero. I might say that this lady lives in my home city in Michigan and she had one of my sons under her instruction and he is still an American.

Mr. Gwinn. The way you stated "without federal control," I thought you meant it.

Miss Hetzman. I mean it in the way that I hope all of you mean it. I will admit that there must be some auditing, some necessary steps taken of that sort, but without control over instruction and personnel, which will be left up to the states.

Mr. Gwinn. You would not be in favor of this legislation if you thought that the Department of Education in Washington would ever intimate, even by professional influence, what you were to teach in your school system in Michigan, that is, materials of education or philosophy of education or the qualifications of the teachers or any other thing of that character, would you?

Miss Hetzman. No. I would not favor state aid on that basis either.

Mr. Gwinn. That is right. You are teaching Americanism.

(The statement filed by Ruth Hetzman follows.)

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STATEMENT FILED BY RUTH HETZMAN

STATEMENT OF PHARES E. REEDER, ESQ.,
EXECUTIVE SECRETARY, WEST VIRGINIA
STATE EDUCATION ASSOCIATION

Mr. Reeder. My name is P. E. Reeder, Executive Secretary of the West Virginia State Education Association.

I wish to submit a statement coming from 15,000 or more teachers of West Virginia schools, as well as a statement coming from the chief state school officer.

I should like to have just a moment of time to point out two or three things. In the first place, I should like to call to the attention of this committee the fact that West Virginia, on the basis of state support of education, is already using more than 60% of its regular state budget and, following the gentleman from Utah's thinking, I should like to call attention to the fact that we, too, are in the position where the natural resources of West Virginia are being taken out of West Virginia and processed in other states and the income and wealth derived from our natural resources are being lost to West Virginia as income to West Virginia.

In connection with that I should like to call to your attention, and I believe that that has been made a part of the charts, the fact that West Virginia ranked 39th among the states in income payments per capita of population. Yet, West Virginia today ranks second among the 48 states in its relative effort in support of education. I think the fact that we are using more than 60% of our state budget, plus the local effort, is indicative of the fact that we are doing all that we can possibly do, or approximately all that we can. And I want to say further that West Virginia is one of the states in the Union that has gone a long way toward equalizing opportunity. We have the plan in West Virginia which we are recommending nation-wide.

We have a state comprised of 55 count units. We have a single salary schedule. We have equalized educational opportunities in so far as our finances will permit us to do so.

The Chairman. I wonder if the gentleman would give us some light on this subject. We here in Congress who are representatives of the people have a surplus of suggestions as to how to spend money. We are a little short on suggestions as to how to raise it. Now, right soon we are going to be faced with the problem of raising several billions of dollars in increased taxes to take care of many just such programs as this; I do not mean just the same kind, but programs that are being worked out today around tables around Capitol Hill by committees. I am wondering if you have any light that you could give your Representative, or where he should get that money and whether it should be by increased payroll tax, or increased income tax, or increased inheritance tax, or new sales tax, or just how would you suggest that that be raised, or would you suggest an increase of all those, which probably will be considered.

Mr. Reeder. Mr. Chairman, I am sure that you have given me a question that is somewhat flooring Congress today.

The Chairman. I might say that you are right, there.

Mr. Reeder. I do not know that I could attempt that, in my capacity as an individual from the state of West Virginia, who has not made any effort to study the tax structure.

The Chairman. I assumed that you planned some kind of retreat before you did your advance on this committee.

Mr. Reeder. But I might say that, certainly, as we look at this picture, thinking in terms of the natural wealth of the entire nation and in those spots within the nation that are without the natural wealth, some means should be devised whereby the children within those spots without wealth would

profit. As far as the means whereby that could be done, or the solution or the formula, I could not answer the question because I know that there are tax experts within the confines of Congress who can answer that much better than I.

The Chairman. But they are behind with the spending experts. The spending experts have gotten ahead of them. I want them to catch up. I am wondering what the reaction is going to be to the members of Congress who provide, or who vote for a tax bill that is going to raise all of this money.

You know, some fellows can go to a legislative body and vote for all appropriations and against all taxation. Well, some of them stay in a long time on that, but somebody must take the responsibility of not only voting for appropriations but they have got to vote for taxation. We have had a lot of suggestions here on the one side, but, so far as I can recall, not a single one has attempted to help with the biggest problem that we have.

Mr. Reeder. I see that I had to become the guinea pig to answer that.

Mr. Gwinn. Mr. Chairman, you have made a very wise observation, and I am curious to know if the thing which you have pointed out may not be a fundamental fault of our education, namely, that we are educating ourselves to look at a single, isolated situation, so that we become specialists in thinking of what education is without thinking in terms of its relationship to other things. We are thinking about getting an appropriation without knowing how it will be found, and what the effect of that will be on the total prosperity of the nation.

Mr. Reeder. I wonder if we are isolationists in our thinking when we are thinking in terms of the millions of the school boys and girls in this nation that have a right to the

very best that this nation can provide educationally.

Mr. Gwinn. The question is, where is the money to be found? That is the only question. The educators are presenting one side of this without helping us on the other. You have a lot of data and have been expert in presenting the plaintiff's case. And we have no data except as we can get it from you.

Mr. Judd. We get a great many letters every week from teachers urging us to pass several bills which, in one form or another, relieve from taxation annuities or retirement allowances, and we are sympathetic for them. But we cannot give more money to teachers and get less from them in taxes. I wonder if the NEA will send as many people down here when we are raising taxes as they are now. We are responsible to all of the nation.

Mr. Reeder. And we are responsible, as teachers, to educate the people of this country.

The Chairman. Let me suggest this: You are teaching these millions of children; you are definitely concerned with their future welfare. Taxation will have something to do with that future welfare, and they, and not you, will pay this bill.

Mr. Reeder. That is right.

The Chairman. Have you figured out any way that you can levy that tax so where it will not materially retard them in the future and will not hamper their ability to enjoy a great democracy? Have you given any thought to that side of the question?

Mr. Reeder. I have an abiding faith in the ability of America to solve its problems, and I have an abiding faith in this Congress to arrive at the solution of this problem. I am no tax expert.

The Chairman. But on that question of faith, you know,

it is like the colored deacon who met a bear one night on the road, and the meeting came very near being fatal to him. And he met Brother Brown, the preacher, and the preacher saw him very much scarred up and scratched, and he said, "Well, Deacon, did you pray while the fightin' was goin' on?"

The Deacon said, "Brother Brown, prayin' is all right in a prayer meetin' but it ain't much good in a bear meetin'."

Your faith is all right and it is very helpful and inspiring. But have you ever been in a tax meeting? Have you ever tried to put over a tax bill on the people on faith?

Mr. Reeder. You have raised a problem there.

The Chairman. I have not raised it. You folks have raised it.

Mr. Reeder. Well, you have brought the question to the point. I would certainly say this, that of all taxes, the income tax, I do think, is the fairest, speaking from the national viewpoint, and certainly the natural resources that go out of our state and are processed in other states, there is income earned off those products and income also earned by out of state concerns on the products. We have the chemical center of the world, but it is owned by New York finance and the income is very great off that business, and it goes to New York, outside of the labor.

Mr. Gwinn. Well--

Mr. Reeder (interposing). I expected a rise from New York.

Mr. Gwinn. Let me ask you a simple question. Suppose, to meet this bill for \$30,000,000, we take 95% by inheritance taxes, from these men that you say are taking money out of West Virginia mines so that thereafter not a penny comes back to West Virginia to develop other mines in West Virginia and other chemical deposits. Will you be better off as school

teachers, or will the people of West Virginia be better off?

Mr. Reeder. I do not think that anyone would recommend such a strict or such a large sum of deduction as that, no.

Mr. Gwinn. That is exactly what has already happened in large measure. You are not getting any capital down to West Virginia. That is the reason that we are coming to Congress to get it right now.

Mr. Reeder. We are not getting new capital.

Mr. Ramspeck. We have a witness waiting who, in my opinion, will largely answer the question you have raised, because he will present the study made by the United States Chamber of Commerce on the relationship between education and income. I think that it will have quite a bearing on the question.

Mr. Reeder. I will be glad to retire.

(Statements filed by Phares E. Reeder follow.)

302-A

STATEMENTS FILED BY FRANCES E. REEDER, ESQ.

STATEMENT OF M. P. MOE, ESQ.,
EXECUTIVE SECRETARY, MONTANA
EDUCATION ASSOCIATION

Mr. Moe. I am M. P. Moe, Executive Secretary of the Montana Education Association.

I am very pleased to have the opportunity to file a report from the Montana Education Association, and I am going to be bold enough to use a little bit of my sage brush economics. The only book economics I have, if it is not right you will have to blame it upon the university in Dr. Judd's state.

I think that the question brought up is fundamental, and I think that it has two angles to it. The question is where is the money coming from. Question Number one is, where is it coming from right now; and the other question is dealing with the payment of debts, where is it going to come from in the future?

As far as I am concerned, thinking of my own state, I believe that it would be wise economy to cut down one and a quarter millions on the highway money coming to Montana and use it for education. You have an appropriation which, I believe, will bring to the state of Montana \$24,000,000 for the highway program on the basis of matching. Our legislature just closed, having voted the state into the highest debt in the history of the state, and \$12,000,000 was voted to match the \$24,000,000 coming from the Federal Government.

I broke out a homestead in Montana with oxen. I think that if we would go at that speed on some other things and pay a little more attention to developing human resources, rather than highways where we can speed along and kill people, it would be better.

Mr. Dondero. Were you compelled to have your legislature

vote that money in order to obtain federal aid?

Mr. Moe. I do not know.

Mr. Dondero. Was that a matching fund?

Mr. Moe. Yes.

Mr. Dondero. Then you were compelled to do it, or else lose that federal aid.

Mr. Moe. That was my understanding.

The Chairman. Did the state Highway Department and those interested in the highway system approve of the suggestion made by you?

Mr. Moe. I doubt it. And they did not send one person down and they were trying to get money for highways. I am the only one here in the interests of education.

Mr. Dondero. Your state Board of Equalization has written a letter that they do not want any federal aid for Montana. They say:

"In our opinion Montana schools do not require any federal aid. Under our system of financing public schools there is no limit on the amount of salaries that may be paid to elementary school teachers if the local people wish to provide the money."

And it is signed "State Board of Equalization"

Mr. Moe. It is headed by the same group that sent six men down here to get \$24,000,000 for highways and know the situation and have worked down there for ten sessions. I know who wrote that letter.

Mr. Dondero. Your statement indicates the tendency for coming to Washington for aid on nearly everything; if you say that these six men who now say they do not want federal aid, still come to Washington and are willing to take \$24,000,000 for roads.

Mr. Moe. I think that maybe it is time to develop the

next generation to get a little better perspective on education.

The Chairman. Let me suggest something right here.

(Discussion off of the record.)

Mr. Moe. There is one statement that I wanted to make.

On this matter of the financing of the future, I want to say this: I believe, and that is probably my number one reason for being here, that if we are going to pay this three hundred billion dollar debt that is coming we will have to raise the level of ability of our people to earn a big enough income to be able to contribute that amount. And if we can raise the level of those who are below average up to the average, it would mean an increase national income of over twenty billion dollars a year. That is my suggestion.

I think that when the United States Chamber of Commerce study is presented it will bear out my point.

Mr. Judd. I want to commend the witness. I have been wondering why nobody has said that before. That is the strongest argument there is, to convert people from potential tax burden into potential taxpayers.

Mr. Moe. Education must do two things. It must educate people to become better citizens and educate them to produce more so that they can pay the bills, education which would be an investment that will not only pay for itself but contribute more toward the paying of governmental expense.

(Discussion off of the record.)

Mr. Ramspeck. You are losing your best young people in the war, whereas other states are retaining their less qualified because they were rejected--is that right?

Mr. Moe. Yes.

Mr. Ramspeck. You are penalized because you have done a good job of education.

Mr. Moe. Yes. We have four orphans and a widow in

this one case which I just read to you from my statement.

Montana will not gain a cent out of this. In spite of the fact that 40% to 45% of the wealth from our natural resources leaves the state and cannot be taxed in the state--in spite of that, and in spite of the fact that 36% of the area of the state has been taken over by the Federal Government, we can and we will solve the problems that we have, which, in addition to our own, are making it difficult. We will have to spend \$168 or \$169 per child to do the same job as \$100.

Thank you.

The Chairman. We will take a recess for five minutes.

(The statement filed by M. P. Moe, Esq. follows.)

306-A

STATEMENT FILED BY M. P. MOE, ESQ.

The Chairman. The committee will come to order, please.

STATEMENT OF G. T. STUBBS, ESQ.,

PRESIDENT, OKLAHOMA EDUCATION

ASSOCIATION, DURANT, OKLAHOMA

Mr. Stubbs. My name is G. T. Stubbs, President of the Oklahoma Education Association and Superintendent of Schools in Durant, Oklahoma.

I want to file two statements, one from Governor Robert S. Kerr, of the state of Oklahoma; and one from the Oklahoma Education Association.

If I may, I should like to present this statement from the Governor, since he expected to be here in person.

"To the chairman and members of the Committee on Education and Labor, House of Representatives, Washington, D. C.

"Dear Sirs:

"It had been my plan, until the date of the hearing on House Resolution 1296 was changed, to be present in person in the interests of federal aid for public education. I am intensely interested in the passage of this legislation, and regret that previous commitments make my attendance impossible.

At my request, Mr. G. T. Stubbs, President of the Oklahoma Education Association, and Superintendent of Schools at Durant, Oklahoma, will represent me before you.

"I am convinced that an adequate program of free public education is a fundamental necessity to the continued development and growth of our democracy, and that such a program must be available to all the children of the nation. I am also convinced that the Federal Government has a definite responsibility to help provide such a program for the youth of the various states. It should share in the financial support of the public education program for all the children of the nation, because of the unequal distribution of school population,

economic wealth, and income among the states.

"Oklahoma, like most states, is in need of federal assistance in order to provide an adequate program of education. Our state is now aiding local schools to the extent of approximately its maximum ability, in comparison with other services that are its responsibility. In my message to the 1945 Legislature I emphasized the need of raising the level of education in Oklahoma, and the legislature will make a substantial increase in the appropriation to education for the next biennium. Regardless of this large state participation in local school costs, the per capita expenditure in Oklahoma will still be well below the national average, as reflected by statistics from the United States Office of Education.

"I earnestly urge that the Congress give most serious consideration to the enactment of this legislation.

"Yours respectfully,

"Robert S. Kerr, Governor."

Mr. Dondero. It is hard to justify that statement. I notice that your state transferred to the sinking fund nearly \$17,000,000 in the last two years.

Mr. Stubbs. The thing that they are trying to do is to retire debts that we have here. In doing that, they have made that transfer in the last two years, and the debt will not be retired until 1956. They have been, over a period of years, trying to develop that state. Our state has had much development internally to bring it up to be a comparable state in services such as standard roads and things of that kind. Some of our eleemosynary institutions have been greatly neglected and it is a tragic situation.

This state debt had been mounting in years past and all of this transfer of money is an attempt to wipe that out. In other words, everything else was curtailed to put money

over to retire this debt. In addition to that, our state enacted a debt limitation feature, that we cannot in the future incur any debt. It provides that this money is earmarked as it occurs in order to retire the present debt.

Mr. Dondero. Is it the pay-as-you-go policy that you are adopting?

Mr. Stubbs. That is what it is.

Mr. Dondero. I take off my hat to you.

Mr. Stubbs. By a vote of the people.

In the two days' hearing, in which I have been a participant in the audience, a number of times it has been mentioned that the states ought to carry their own responsibility. Our state certainly is. It is going beyond its ability to carry, according to the report of the United States Office of Education and the reports and studies on that. We are about $37\frac{1}{2}$ above our ability, which is about 28. I have just engaged in the present legislature which closed, I believe yesterday in the state, and the school matter had been finished before I left there last week. They have exerted every effort that they can to meet the education problem. They have expanded the education under the leadership of the Governor. Still we are woefully behind in the matter of education in that state.

We have over 1,100 emergency certificates, which means that they have given permission to teach to people without qualifications in order to keep someone in the classroom. The salaries are not attractive. We met in the legislature on the question of the state carrying more of its own load. Every time they sought a source of revenue, they would look over the line to our bordering states and they would say, "If we raise this tax it will be out of line with Kansas and Texas," and so on. And they say, "Our business would

310 move over to the neighboring state." This competition between the states in taxes is a matter that can be taken care of from the federal level.

I thank you.

The Chairman. Thank you, sir.

(The statement filed by G. T. Stubbs, Esq. follows.)

310-A

STATEMENT FILED BY G. T. STUBBS, ESQ.

Mr. Ramspeck. Mr. Chairman, could we go ahead with Mr. Boushall?

The Chairman. We can do that after the filing of the statements.

STATEMENT OF PAUL M. HODGSON, ESQ.,

PRESIDENT, DELAWARE STATE EDUCATION

ASSOCIATION

Mr. Hodgson. Mr. Chairman and members of the House Committee on Education:

I am Paul M. Hodgson, from the state of Delaware. I am president of the Delaware State Education Association. I want to file a statement favoring House Resolution 1296.

As far as Delaware is concerned, it would not participate in the equalizing feature of the bill, and I represent one state that is requesting the support of this bill for the welfare of the children and the education of the children of the nation. In substance, that is the content of my brief message here.

The Chairman. Thank you, sir.

(The statement of Paul M. Hodgson, Esq. follows.)

311-A

STATEMENT OF PAUL H. HODGSON, ESQ.

The Chairman. Mr. Chase, of Virginia!

STATEMENT OF FRANCIS S. CHASE, ESQ.,
EXECUTIVE SECRETARY, VIRGINIA EDUCATION
ASSOCIATION

Mr. Chase. I am Francis S. Chase, Executive Secretary of the Virginia Education Association, and I want to file a statement signed by the Committee on Federal Legislation of the Education Association, showing some of the need for improved education in Virginia.

I want to make just one statement, if I may, Mr. Chairman, that we do not base our support of this bill, however, chiefly on Virginia's need, because we recognize that Virginia is in a position to do a great deal more than she is doing. We are bending every effort toward that end. We feel that the national safety and well-being depend today on an improved education for all of the people, and that we are not going to achieve that without some measure of equalized support from the Federal Government. I favor and support the feeling which Mr. Moe expressed, that education is a self-liquidating investment and will bring back returns far greater than is invested, provided only that it is the right kind of education, and that is the real case for this bill, as we see it.

The Chairman. Thank you, sir.

(The statement filed by Francis S. Chase, Esq. follows.)

312-A

STATEMENT FILED BY FRANCIS S. CHASE, ESQ.

(313) The Chairman. Now, the gentleman from the United States Chamber of Commerce. Mr. Boushall!

STATEMENT OF THOMAS C. BOUSHALL, ESQ.,
CHAIRMAN, COMMITTEE ON EDUCATION OF
THE CHAMBER OF COMMERCE OF THE UNITED
STATES

Mr. Ramspeck. Mr. Chairman, may I say in presenting Mr. Boushall, that he is not speaking for or against this legislation. At my request he is presenting a study made by the Committee on Education of the United States Chamber of Commerce, of which he is chairman. I think that the study which they have made has a relation to the problem before us.

Mr. Boushall is president of the Morris Plan Bank of Richmond, Virginia, and he is appearing here to give us the benefit of the results of the study made by the Committee on Education of the United States Chamber of Commerce.

Mr. Doniero. Before Mr. Boushall begins his statement I just want to present for the record, inasmuch as the University of Michigan has been mentioned by Mrs. Lewis, a short paragraph from a letter from Alexander S. Ruthven, President of the University of Michigan, which reads as follows:

"There are some states like Michigan which believe that when a state can afford it it should not try to shift the responsibility of support for education to the Federal Government. One certain thing is that if the practice is started it will be very hard to limit the financial aid which is given and at every session of Congress there will be attempts to increase and expand appropriations for the purpose."

And we have already been told by witnesses that this is just the first step.

Mr. Boushall. There is a prepared statement that I will file. I realize that we are pressed for time.

The Chairman. I am awfully sorry that we were not able to put you on earlier, and that same statement applies to many others in this room.

It has been my effort and desire to give an opportunity for a full and thorough hearing on this bill and I do not know how to accomplish that by prodding witnesses and urging that they hurry up and get off the stand and by suppressing questions by the members of the committee because, after all, the questions are just as important as the direct testimony.

So, Mr. Boushall, just relax. You are the last witness who will be heard today and you can talk until you are finished.

Mr. Boushall. That is very gracious of you, Mr. Chairman.

As Mr. Ramspeck said, we are here at the suggestion of Congressman Ramspeck simply to present this as information and not on any controversial level and we are not taking any position with respect to the bill before you. The Chamber of Commerce, as you know, is a business organization and, for that reason, is not undertaking to inject itself into a highly controversial program before the committee.

What stimulated the study that we have made and have presented in this printed form, copy of which each member of the committee has before him, is based on the idea that business, in the judgment of the committee on education, has a very close relationship to the educational level of the people. Proceeding on this premise, we developed a staff in the Chamber of Commerce under the direction of Paul H. Good, Secretary of our committee to do considerable research work to find out if the premise that educational levels went hand in hand, or proceeded, or at least were found in conjunction with economic status. If we could develop that premise satisfactorily, we felt that it was the duty of the Chamber

of Commerce, as the over-all business organization representing the business of the United States, to present those facts to business.

We took the liberty of starting out with the premise and then undertook to prove that premise. We found, by a study of all of the states of the Union and the educational level existing in those states that, while there might be exceptions here and there--the educational level might be higher in some state with a lower economic status, and the reverse might be true in some other state--we found that the over-all picture shows that the educational level where it is high results in, or is accompanied by a high economic status.

This report has charts all through it, but we checked all of those figures with the National Education Association, with the United States Office of Education, with experts on statistical data and formulas as to proof, and we have found no exception, after the publication of this report, but that we had proved our premise.

Business then undertook, through the Board of Directors of the United States Chamber of Commerce, to publish this report and place it in the hands of every trade organization and Chamber of Commerce in this country, with the hope that local Chambers of Commerce would set up committees on education and, at the local level study what the economic status of that community was with relation to the educational level attained.

Realizing that in this report they would find that where the highest level of education exists as a general rule there you will find the highest per capita sales of goods and there you will find the highest percentage of rentals in the higher groups and the largest number of people with better incomes,

we finally arrived at the statement that education--money spent in education is an investment and not an assessment, on the ground that if we expect an expanding economy in the United States in the next number of years we must have an increasing educational level. We found that where the educational level is not increased, the economic status is not increased, and we found that where the economic status had been increased the educational level had also been increased. We believe that the outlook for the expansion of the American economy is tied directly in to the upgrading of the American people on two particular counts, and we want to be very clear in the hope that you gentlemen will understand very well in this respect.

It was assumed that business would be very much interested in the vocational development of the skills of the people, that they might become better workers, more efficient workers, produce more per hour of employment, and that would have been a purely business proposition dedicated entirely to vocational training of the skills of the people. But it goes much deeper and is a broader proposition. Unless the cultural appetites of the people are developed through that type of education--the cultural type--it serves but little purpose to increase the technical skills because the people must want better homes and better food and better clothes, better entertainment, better recreation and better things of life to be able to work hard enough, to be stimulated to work hard enough with improved skills to buy those things. Business gains nothing if the skill of the people is upgraded by education unless it is accompanied by an improved cultural desire and appetite to spend that money for the things which the skilled people produce.

If we only upgrade the people from the technical point

of view we do not raise the cultural levels and we can readily overproduce by the increased skills far more than the people would consume. We experience that in the South where, when Negroes are paid much higher wages in factories than they were in other pursuits, they, in two or three days, would earn enough money to take care of the wants which they had and, consequently, they did not work but three days a week instead of six. That is true equally among the lower class of people in that group. It is no reflection on the Negro people at all. If those people's cultural desires were aroused they would work five and a half days a week to have the money to be able to enjoy the things which their education on a broader basis has taught them to desire.

You must have that dual technical skill upgrading and cultural development in order first to produce the things by the better ability of the people in the operation of improved technical machinery, and then to give them the cultural education to want to spend that money and consume the things that the upgrading of skills will bring about.

We are trying, therefore, to get business to understand its relationship to education to a point where it will work out on the city level, the county level and the district level a program to improve education so that there is no block on economic expansion of our people, and we do not want economic expansion unless it is accompanied by the immediate upgrading of the social well-being of the people.

We are happy to report that the point of view of business was that business itself, with a proper educational system, can make a greater contribution to educational well-being than statutes might be able to do if it is done on the objective basis.

I think that one of the members of the committee said

this morning that the problem is to get more people producing enough so that they become contributors to society instead of absorbers of the excess wealth as beneficiaries, because the time must come, if most of the people get over on the receiving end and fewer get on the taxable end, we are bound to end up in total bankruptcy.

Business is not altruistic in this program and we do not want to appear to be, so to speak, making love to education with the thought that education will turn around and teach the approval of private enterprise system. We are making these reports available primarily to business organizations to stimulate these studies and examinations locally and for business to meet with education and develop a better educational system. We are not distributing these reports to educational groups as a propaganda program from business to try to placate and win their support for private enterprise. We are really trying to win the support of business for education in the belief that when we have done that, education is going to come naturally to the support of that factor in our society that is making the greatest contribution to the social well-being of the people. That is the general philosophy behind this and what we are undertaking.

May I add just one more point? We felt that this might be a special case, that our report might be a special case as to the well-being of the people being accompanied by educational levels. We asked Dr. Harold F. Clark, of Columbia University, to prepare a monograph for us based on studies which he had made throughout the world to see if it held true. He had made studies in something better than 50 countries, and he has prepared a monograph that very clearly shows, and we think proves that in those countries where there are wonderful natural resources, from which you might

draw the conclusion that, therefore, the economic well-being of the people should be great, the per capital income large and the per capita wealth broad, that that was not true unless there existed at the same time a very well developed educational system.

There is a country in South America--I would rather not mention the name--that has the greatest natural wealth of any country in the world, and it has the lowest educational level of any country in the world and has the lowest per capita income and the lowest per capita wealth.

Taking, in contrast, Denmark, you have a group of sand islands thrown up--no natural resources, no oil, no mining, no waterfalls to produce electricity, a very poor soil. But about 100 years ago somebody started an educational system and, on barren, sandy soil, Denmark, through its educational program, has developed a country that has a standard of living, an economic well-being--I am speaking, of course, prior to the invasion by Germany--that slightly exceeds the United States.

In Switzerland there are no natural resources, such as mineral wealth. They have some waterfalls for the production of electric power. But their primary source of income is small industries and milk chocolate, I think, but they have a very well developed educational system. Across the border, in Hungary, there are wonderful natural resources and a very low educational level and a very low economic status.

We have several illustrations such as that.

We have a copy of Dr. Clark's monograph as a supplement to the study of the 48 states.

We hope that we will have presented to the committee through these reports just that basic premise, that educational levels and economic well-being either precede, accompany

or go hand in hand, and one cannot move forward very far without the other, and it is our hope that the business fraternity of the nation may be responsible for stimulating so much interest locally in forming the business group in locality and state so well that, through their own initiative, in cooperation with the educational groups that we may open up a very much broader expansion in American economy, which we do not believe is otherwise possible.

Thank you.

Mr. Ramspeck. Mr. Boushall, is it fair to say that your committee has come to the conclusion that the most important resource that any country or state has is its young people?

Mr. Boushall. May I say that the young people are the future workers and business managers and professional people of this country and, unless they are well educated and well trained, with broad cultural appetites, what we may look for is a static economy.

Mr. Ramspeck. Is it not true that this problem is more important today because of the war, due to the fact that physically and mentally well equipped young men have gone into the Army and the Navy and are being killed, while the less qualified are staying at home and will be the fathers of the next generation?

Mr. Boushall. I think that that is very true, sir, and, therefore, we are most anxious for the progress of this program as rapidly as possible to overcome that definite setback that may occur.

Mr. Ramspeck. You live in the South, in Virginia, and I live in Georgia. Is it not true that the South, ever since the Civil War, has suffered from the very result of that war of which we are speaking, the killing off of the young

men of two or three generations?

Mr. Boushall. Without placing the blame on anyone, anywhere, sir, I agree with you.

Mr. Ramspeck. I was not going to go into the blame. I think that we can well afford to forget that in our present unit.

Is it not also true, Mr. Boushall, that when a manufacturer or a business institution undertakes to sell in a community the products of its plant that they figure on the income of the population and relate their advertising and their effort to sell to the people who have a high enough standard of income to buy those products?

Mr. Boushall. I should think that that would be very true.

We have a chart in the back of this report that shows the per capita sales related to the educational level, and it must be very clear to the intelligent business man that it is useless to advertise very heavily in a low economic area, and profitable to advertise heavily in a high economic level area.

Mr. Ramspeck. Then it would follow that the manufacturer of automobiles in Michigan, we will say, cannot sell as many of his products in a state that has a low educational level and low income level as he could in another state that has a higher level of education and a higher level of income.

Mr. Boushall. I think that that is a matter of arithmetic, not of opinion.

Mr. Ramspeck. I want to express my appreciation for your coming and giving us the benefit of this study. I think that it does have a relationship to this bill, without respect to whether the bill is the proper method of accomplishing this end.

The Chairman. Mr. Boushall, you did not concern yourself with the method of financing this very desirable development in education, did you?

Mr. Boushall. Recalling the dilemma of the gentleman who was up here before and had questions presented to him, if I might, I would ask you to indulge me in this respect. I am chairman of the Committee on Education of the august body of the Chamber of Commerce of the United States, but I would ask if I could step aside as an individual since I would like to answer your question, but I cannot answer it as a member of the Committee on Education of the Chamber of Commerce because they have taken no position on that.

The Chairman. I will guarantee you that the reporter will earmark this as a personal statement of your personal views, and not to be charged to the Chamber of Commerce of the United States or in any way connected with it.

Mr. Boushall. That is very gracious of you.

The Chairman. This is just your statement as a very well-informed gentleman from Virginia.

STATEMENT OF THE PERSONAL VIEWS
OF THOMAS C. BOUSHALL, NOT TO BE
CHARGED TO THE CHAMBER OF COMMERCE
OF THE UNITED STATES

Mr. Boushall. After I divest myself of my title, you may not be so anxious to take my testimony.

The Chairman. I am not so sure but what in some corners of this country you may have improved yourself.

Mr. Boushall. May I say that I am very hopeful that the work of the Chamber of Commerce in presenting this report to the nation and undertaking to stimulate a greater interest in education on a sound investment and not an assessment basis may improve the reputation of the Chamber of Commerce.

in many quarters.

The Chairman. You have here.

Mr. Boushall. Speaking as an individual, I have suggested it to a number of people as a guinea pig experiment. I have talked to the president of a large power company, the presidents of three successful business organizations, to some professional people and to some educators on this thesis-- and I will still look at the clock, and not take too long.

The Chairman. That is all right, sir. You are making yourself so interesting that I had forgotten about the time.

Mr. Boushall. In the belief that business is the greatest beneficiary of improved education, and on the assumption that we could not have the business development that we have in America today if we had no educational background for our people, that business has been able to expand and can expand in the future only because we have an educated people, and if business, therefore, is the greatest beneficiary of education, then perhaps business itself should bear an increased cost or the increased cost necessary to obtain the upgrading of the people technically and culturally. That is on the theory that somebody has suggested that the income tax was a fair form of taxation, on the theory that the beneficiary of the program should be the one most ready to bear that cost.

It has been estimated, and I think that the National Education Association has put out this figure, that it would cost about a billion dollars more in the United States to provide the type of education that is necessary to accomplish the things that I have described a few moments ago.

Now, assuming that there are going to be about 50,000,000 people employed in the United States, outside of governmental establishments, both national, state and local, who would be

employed, so to speak, by business, if we laid a per capita tax locally, sir--I am speaking on the part of each state government--of \$20 for every employee in every factory, store or office and on the farm, \$20 times 50,000,000 people will produce the billion dollars necessary to provide for the increased facilities and equipment and the increased salaries for teachers and their training. Twenty dollars per capita per annum per employee would mean that any large corporation or any small single business would only have to look to an improvement of that individual's product of service or output of 6 2/3¢ a day while he was working to pay back the \$20.

If we have proved that educational facilities upgraded to the point of making more efficient and more capable people with a greater integrity of effort and greater enthusiasm of output, it would take very little for each employee to produce more than \$20 of value to any large corporation, or even a clerk in a small store in a small community. If a young boy, graduated from an agricultural high school, were operating a tractor where he had been taught better care of machinery and better methods of working, he could certainly produce more than \$20 more on a farm in 300 days of work by reason of his better training.

The Chairman. He would save more than that in taking care of the tractor.

Mr. Boushall. There is a method by which we charge those beneficiaries of improved education the cost, which they can immediately get back, probably five or ten times or more, if we have any faith in education.

Now this, of course, is my view.

The Chairman. You are still talking just personally.

Mr. Boushall. You can appreciate that I have not sold that idea to the Chamber of Commerce of the United States.

The Chairman. You are just talking personally.

I asked the question on two or three occasions yesterday, as to whether or not in the particular witness's opinion, and I will ask the same question of you--in your opinion, what do you think of the practicability of an equalization fund which would be earmarked and restricted to the supplementing of teachers' salaries who come below a certain standard, say \$250, or you could take any amount that you wanted that you would establish as a standard, to provide relief in those many areas that have been brought to our attention where teachers' salaries are admittedly so low until it only attracts, in a large way, the inefficient teachers who, by necessity, reflect in the type of teaching and instruction and that, in turn, produces the uninformed and uneducated children in which you are very much interested?

Mr. Boushall. Mr. Chairman, I ask the privilege of making a statement as an individual.

The Chairman. Yes.

Mr. Boushall. I am very much concerned that anything that I might say in connection with a controversial bill might not get colored over into the position of the Chamber of Commerce.

The Chairman. Again I want to put this assurance in the record, that should you desire to answer that question, I guarantee that there will be nothing in the record that would indicate that you were speaking for the Chamber of Commerce or anyone else other than your own personal self.

Mr. Boushall. Well, may I say this, sir--

The Chairman. I really want the benefit of your thinking, because I think that you are a thinker.

Mr. Boushall. Let me remind you that I am from south of the Mason-Dixon Line.

The Chairman. We are together on that.

Mr. Boushall. I believe in states' rights very clearly and I was gratified at a meeting the other day to hear a distinguished Republican senator get on our side.

The Chairman. I have been branded as one of those fellows, too, and I am proud of it.

Mr. Boushall. I do not think that an appropriation purely for the purpose of increasing teachers' salaries is anything but a palliative in meeting the problem which I have been discussing. I think that the whole educational program is tied into the economic status of our people and cannot be taken apart and take any one segment of it and say, "This is the answer to that question," or "This is the key that unlocks the enigma."

We are at a stalemate in the development of our people. I think that business, in promoting this program, is going to say very frankly to education, "We are quite prepared to pay the extra cost of improved educational qualifications of the products of the schools." Paul Good, the secretary of our committee, has developed the phrase "a more marketable education." But business is going to say, "We do not think that the degree of education, the finesse of that education is up to the standard that calls for an additional billion dollar appropriation if there is going to be no change in the quality of that education."

I am thoroughly in sympathy with every underpaid teacher, with the fact that you cannot educate one segment of a people in one section of the country and poorly educate them, and highly educate people in another section of the country without having an unbalanced total society in our country. Equalization of education, to my mind, is a very essential thing, but I wonder if we are not trying to work miracles in

getting that done throughout the United States over night, whereas it might be far better if that equalization began in each of the 48 states themselves, rather than undertaking to superimpose that by the Federal Government making a contribution, even so great as \$300,000,000, which is going to flow back, in large part, to the various states where you have the greatest expenditure, and only in small part to the states where you will have the smallest expenditure. If you are going to match funds in Mississippi, South Carolina or Virginia, and also match them in New York, Massachusetts and other places, your equalization is still as greatly out of balance as it was before.

I am saying that I believe in equalization of education of the people of the United States, beginning on the state level. If anybody had presented to this committee a plan whereby, on a perfectly sound, economic basis, and not on a deficit basis--I do not believe, sir, in governmental deficits --we could equalize the education of all of the people with resultant improvement of economic status and expansion of the economic status, I am confident that the national income of the United States would go up one hundred and eighty or two hundred billion dollars, out of which you could pay teachers, build the finest buildings that we could want, out of that economic well-being.

The Chairman. That is a very fine statement, but I want to get a little closer to this question. I am assuming that you say that the improvements should start with the states and the local governments. We are in accord there. I not only think that it should start, but I think that they should go as far as they can go. But we are now confronted with testimony here, which we must give consideration, with what are branded as facts, that in some areas critical situations exist.

I travel rather reluctantly towards the Federal Government's entrance into the financing of state and local schools. Being of that disposition, then, I say that the least interference and invasion possible would be the one that we would look for. Now, we cannot enter into the total financing; we cannot enter into the management; we cannot enter into the details of the educational system; but I am wondering if this committee should reach the point of considering just how it should aid these critical areas, whether or not you would say to the committee that you think, if there must be federal financing, that the equalization fund to help those areas which are below what we would regard as an adequate or even fair standard would be the least objectionable approach to it.

Mr. Boushall. I am very glad that you have put it on those terms, sir. I cannot help but feel that if the philosophy behind this program being considered is the equalization of educational opportunity, those states that are probably going to make the largest contribution are going to have to give up the benefits and let those benefits go to the states that produce the least income tax, and whether or not the educational and business interests of those well-to-do states are going to be broad enough to give that up--I think that the committee will have a good deal of difficulty in convincing them.

The Chairman. I fear that you are adding confusion to confusion.

Mr. Boushall. I am trying not to get too involved in this in the fear that it might possibly be taken as the view of the Chamber of Commerce.

Mr. Ramspeck. But you do feel that it would be a good investment to do that?

Mr. Boushall. I have been on the board of the Virginia

Tuberculosis Association for many years. I know that it is no good to drive tuberculosis out of Richmond unless you drive it out of all the surrounding country. There is no way to keep it from coming into Richmond from the outside. I know that it is no good to clear tuberculosis from South Carolina if in Tennessee you have a good deal of it. I think that ignorance has the same relationship. You cannot have well educated people in one spot without having it infected from the outside. If you have ignorance in one section you cannot keep it there. It will get out to each and every section of the country.

The Chairman. You are kind of approaching my proposition from the back door.

Mr. Boushall. I can say very frankly that I do not think that an appropriation of \$300,000,000 distributed as proposed is going to solve the problem that we are trying to meet on equalization. That is just the personal opinion of a person by the name of Boushall from Richmond, Virginia.

The Chairman. You refer to "as proposed in this bill." I asked about the distribution of an equalization fund to those areas where they are greatly in need, and I did not put it on the basis that it would be a solution or a cure-all, but on the basis that it would be a great help in the right direction.

Mr. Boushall. As a taxpayer and as a citizen, I think that it would be a very expensive help for the good that you will get out of it. If it is only a palliative, it is still rather expensive. If it is a solution to the problem, then you might consider it economical.

The Chairman. I was approaching it from this angle. If you were to reduce the salaries in your bank beginning next month by 50%, down to \$600 or \$900, I am wondering what type

of work there would be in your bank in 90 days.

Mr. Boushall. It would be very low. But I do not think that I would have the right to go to the other banks and say, "I can't quite make the salaries in my bank and I would like to get help from you."

The Chairman. But the future of your bank depends on the future of education.

Mr. Boushall. Yes, sir, and I am perfectly willing that my bank be assessed \$20 per capita per annum to contribute toward education.

The Chairman. But then you have, in the state of Virginia, said to your fellow banks that "You must contribute, and we are going to contribute to the educational welfare of the children of Virginia."

Mr. Boushall. Yes.

The Chairman. But they have not assessed anything to help your bank.

Mr. Boushall. It has helped all banks.

The Chairman. That is a different set-up.

Mr. Boushall. If all of the banks in the state of Virginia cut all salaries in half by reason of the fact that the educational level of the people did not justify paying that much money, I think that we would be happy to make a contribution to improve the educational level of the people.

The Chairman. I was not traveling along with the idea that the money would cure all of the evils in these terrible areas where the school facilities are admittedly inadequate, but I was proceeding on the theory that you could not expect to get the best instructors for totally inadequate salaries.

Mr. Boushall. I think that that is arithmetic, too.

The Chairman. That is both arithmetic and good sense.

Now, if that continues, both you and I know that the

population in that area is going to be what might be termed a deficit population.

Mr. Boushall. I agree with you very thoroughly.

The Chairman. Well now, the problem that confronts us is what approach, if any, to make towards the remediying of that situation.

Mr. Boushall. Well, sir, may I say that I think that if you took every problem of the people throughout the United States and undertook to cure them by federal appropriations, your friends of whom you spoke as being out in front in the spending group would get so far ahead that you would never catch up.

The Chairman. Oh, I think you are right, there.

Mr. Ramspeck. May I ask one question and if it is not a proper question we will strike it out.

You suggested something about a tax of \$20 per worker as a means of raising this fund necessary to provide adequate educational facilities.

The Chairman. Let me interpose this, that he is talking personally.

Mr. Ramspeck. Yes, Mr. Chairman, and if he does not want to answer the question I will strike it from the record because I do not want to embarrass Mr. Boushall.

But if I understand your idea correctly, it is to raise the money within the states and apply it only in the states where it is raised.

Mr. Boushall. That is the idea.

Mr. Ramspeck. That will not relieve the situation of those states that are below the average, because they just have not got the corporations where that tax could be placed.

Mr. Boushall. It will improve it.

Mr. Ramspeck. But it would also give an immense amount

of money to the states at the top, like New York.

Mr. Boushall. They could do with improvement, too, sir.

Mr. Ramspeck. I think that that is true, but it does not solve this problem of inadequate resources in the state of Mississippi, which is at the bottom of the charts, where the per capita income is less than \$300 per year. How are you going to relieve that situation by simply collecting money from Mississippi, which is already poverty stricken in income as compared with the other states?

Mr. Boushall. Would it not improve the economic status of Mississippi if you began on that level?

Mr. Ramspeck. Yes. I think that wherever they could get the money would improve it, but we are still not taking the money from those who would profit by it. The things that are sold in Mississippi are not made there. They are made in New York and Michigan and many other states.

Mr. Boushall. I think that they would manufacture more things in Mississippi with a better educational system. I have been accused of being in favor of the evolutionary, rather than the revolutionary.

May I speak for a moment off the record?

(Discussion off of the record.)

I believe in the system of evolution rather than in sudden achievement. I believe, Mr. Ramspeck, in answer to your question, that the soundest economy of the people is the one rising from the people, as opposed to one superimposed on them. If you are talking about the \$300,000,000, I think that it would not be as sound a program as a program which rose up from the people, as opposed to one superimposed by the Federal Government.

Mr. Gwinn. We all appreciate the research which you have given to this subject. I think that the people have no

idea how dependent we are on volunteers who come forward. In court, if nobody but the plaintiff comes forward judgment is taken by default.

I am wondering if you would change your point of view, as I understand it, if the evidence could be presented here --indisputable evidence--that seven or eight of our states cannot, by any scheme, on their present state of income or cumulative wealth provide a decent education--let us not say equalized education, but a decent education as reasonable persons know it--would you be in favor of appropriating funds from the federal treasury for those special situations for maybe seven or nine states? The others clearly do not need it.

Mr. Boushall. Well, I do not want to answer your question with a question, but, for clarification, I think that we have to get a premise to get the proper answer. If the people in those seven states have demonstrated an inability to raise their economic level to a point where they can support a better educational program, would it not be the tendency of those who were going to furnish the money to want to make the pattern and fix the mold, to impress it on them without reference to whether the people liked it or it fitted the pattern? Would it not be necessary, in order to get that appropriation agreed to by the other nine beneficiary states and the Federal Government--would not those authorities want very well to define how that money would be spent, with whom, for whom, with what curricula, with what qualifications of educational backgrounds the teachers would teach? Would it not be rescue by imposition, rather than a grant with which the people could find their own salvation?

Mr. Gwinn. I agree. But we are faced with a practical political situation, as we mentioned before. The reason

By some of us want to see our affairs kept out of politics is that politics is nothing but a compromise. It is, generally, to a lower level than we function generally. Therefore, we face this situation, that in order to get votes we are inclined to think that we have got to give something to all the states to get them to come in and help the seven or eight states that must have help.

If we meet this honestly and squarely and had a compromise, because the situation is so bad in some places that it shocks the conscience, would it not be better to remedy these difficulties and go directly to help the states that need it and try to put it in the law that it is an appropriation from the treasury of the United States to the treasury of the seven states--no controls, no questions asked? If you have got to face that political compromise, would you, as an honest business man from Virginia, and as a politician in our places, vote that kind of an appropriation?

Mr. Boushall. Purely as a social and humanitarian program, I would. But I would feel that I had taken a dangerous step, and I answer purely on your statement that it would be a compromise, accepting a little poison because of the exigency of the patient's condition. We often give a patient a little arsenic to cure a condition, but I think that it takes an expert to administer it.

The Chairman. We will adjourn at this time and reconvene at 10:00 o'clock tomorrow morning.

(Whereupon at 2:05 p.m. a recess was taken to Friday, April 27, 1945, at 10:00 o'clock a.m.)